



LOTS

R O A D



LR15
Commercial Report
Chilmark Consulting Ltd

LOTS ROAD SOUTH

LR15: Commercial Report

Mount Anvil (Lots Road) LLP

July 2025

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1. Introduction

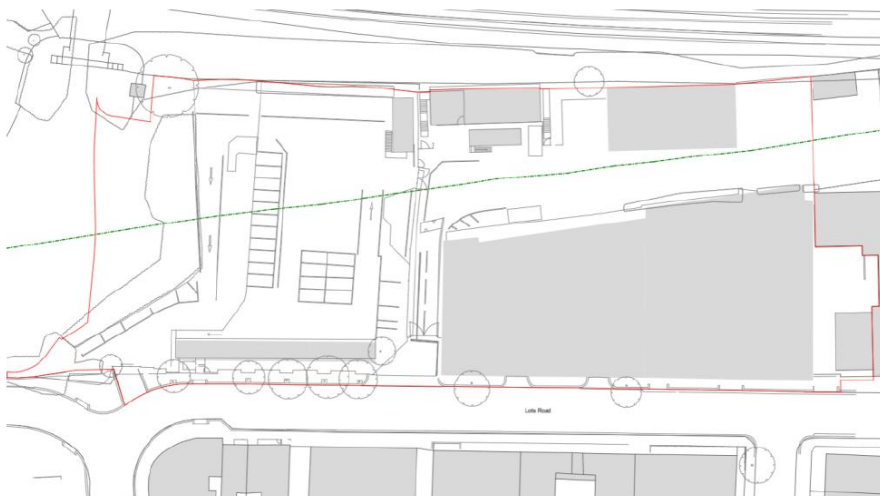
Overview

- 1.1 Chilmark Consulting Ltd, an independent, RICS Registered firm of Chartered Town Planners and Surveyors are appointed by Mount Anvil (Lots Road) LLP (the 'Applicant') to prepare a Commercial Report (report reference **LR15**) to support the consideration of proposals to transform Lots Road South.
- 1.2 The application site measures 7,752 sq.m (0.77 Ha).
- 1.3 The Local Planning Authorities are Royal Borough of Kensington and Chelsea (**RBKC**) and London Borough of Hammersmith and Fulham (**LBHF**) and the planning application is referable to the Mayor of London.

The Application Site

- 1.4 The Site sits on the boundary between Royal Borough of Kensington and Chelsea and London Borough of Hammersmith and Fulham, with the authority boundary splitting the site on the north-west to south-east axis.
- 1.5 Figure 1.1 below shows the site area. The green line denotes the borough boundary between RBKC and LBHF.

Figure 1.1: Application Site



Source: Rolfe Judd

- 1.6 The majority of the Site (69%) is in RBKC (eastern part) and 31% of the Site in LBHF (western part). The Site is owned by RBKC, and their land ownership extends across both boroughs.
- 1.7 The Site sits in the south-west corner of RBKC, where it meets the south east corner of LBHF. It is located on the south-western side of Lots Road between Chelsea Harbour and the King's Road. The Site is located within Lots Road Employment Zone (**LREZ**) which is a 'Locally Significant Industrial Site' (**LSIS**) in accordance with London Plan Policy E6. It is immediately adjacent to the Lots Village Conservation Area and a small part of the Site in the south west corner is located in the Sands End Conservation Area.
- 1.8 The Site is well connected and accessible, with a Public Transport Accessibility Level (**PTAL**) rating of 3 and 4. It is within walking distance of Imperial Wharf overground station and Fulham Broadway and is served by frequent bus services.
- 1.9 The Site currently comprises the former two storey Lots Road Auction House and another two storey warehouse building accommodating Fairbank Studios, Access Self Storage and mixed retail. The Site also comprises a car pound which includes some temporary buildings, a salt store, and cabins which accommodate RBKC's street sweeping and recycling service providers. An access road runs through the Site which provides access to RBKC's highway's depot to the north. Land in the north west corner of the Site forms part of this highway depot and is used for at grade parking and material storage. The application Site also includes the outside space of Heatherley School of Fine Art.
- 1.10 The surrounding area predominantly comprises residential dwellings, commercial uses and education uses. To the north of the Site is Heatherley School of Fine Art. To the east of the Site is Worlds End Studios, Chelsea Academy, the Lots Road Public House, as well as two residential buildings with ground floor commercial units. Further east of this is predominantly terraced housing. To the south of the site is Chelsea Creek, and beyond that the residential buildings of Chelsea Harbour, as well as the Design Centre. The

West London Line sits directly to the west of the site boundary, with the Kings Road Park development site beyond.

- 1.11 The part of the site located in RBKC is allocated as Policy SA6 Lots Road South in RBKC's New Local Plan Review (July 2024). The part of the site located in LBHF is not allocated for any use.

Purpose

- 1.12 The purpose of this Report is to provide an analysis of the commercial property and land characteristics and commercial market dynamics in the vicinity of the Site and more widely across RBKC and LBHF as appropriate.
- 1.13 The Report is prepared in relation to the relevant Development Plan employment land planning policies of RBKC, LBHF and of the Greater London Authority (**GLA**).
- 1.14 Conclusions are drawn as to the potential, characteristics and alignment of the proposed application scheme's ability to contribute to London-wide, RBKC and LBHF's economic growth objectives and commercial / employment-generating land supply in the context of existing and proposed site development allocations in the relevant Development Plans.
- 1.15 The Report should be read in conjunction with all the submitted application plans, drawings and technical documentation.

2. The Application Site

Existing Uses and Activities

- 2.1 The Site is currently occupied by a variety of land use activities within both the RBKC and LBHF administrative areas.
- 2.2 The application Site comprises the former two storey Lots Road Auction House and another two storey warehouse building accommodating Fairbank Studios, Access Self Storage and mixed retail. The Site also comprises a car pound which includes some temporary buildings, a salt store, and cabins which accommodate RBKC's street sweeping and recycling service providers.
- 2.3 An access road runs through the Site which provides access to RBKC's highway's depot to the north. Land in the north west corner of the Site forms part of this highway depot and is used for at grade parking and material storage. The application Site also includes the external space of the Heatherley School of Fine Art.
- 2.4 In more detail, the existing permanent uses include two warehouse buildings containing a former commercial auction room¹ (sui generis), self-storage facilities (Use Class B8), and various studio workspaces (Use Class E).
- 2.5 Showroom type space and activities forms a significant element of the current activities and uses fronting to Lots Road South. Within the ground floor area of Fairbanks Studios and the adjacent self-storage facility there are a range of existing showroom activities, including: Ed Butcher, (offering antique furniture, lighting and interior furnishings); Whistler Leather (provider of luxury upholstery leather to businesses such as bars, hotels and restaurants); and Aura (offering high quality, premium furniture, lighting and interior accessories).
- 2.6 There are also temporary uses and activities in various portacabins and shed structures including an open air vehicle pound, street maintenance depot and salt store (B8 Use Class).

¹ Lots Road Auction House vacated the site in early 2024 having secured a new premises elsewhere in Hammersmith and Fulham

- 2.7 The following Table 2.1 summarises the scale and distribution of existing floorspace as between permanent and temporary uses and the split between floorspace located in RBKC and LBHF areas.
- 2.8 Table 2.1 shows that there is a total of 3,570 sq.m (Gross Internal Area – **GIA**) of accommodation in the RBKC administrative area and 521 sq.m GIA situated within the LBHF area. A significant portion of this is low quality temporary portacabins space used in conjunction with external hard standing and open storage activities with the remainder comprising the warehouse buildings and self-storage facilities.
- 2.9 The net floorspace of permanent commercial floorspace in existing buildings excluding the former Lots Road Auction House and situated within the RBKC area is 1,878 sq.m; including the Auction House space the total GIA is 3,442 sq.m.

Table 2.1: Summary of Lots Road South Site Existing Floorspace Sq.m

	RBKC		LBHF		Total (RBKC + LBHF)	
	GEA	GIA	GEA	GIA	GEA	GIA
Permanent Space						
Former Auction House (sui generis)		1,564				1,564
Access Self Store – Storage (B8)		1,183				1,183
Access Self Store – Fairbank Studios (E(g)(i) offices)		504				504
Access Self Store – Ground Floor showrooms (Retail E(a))		191				191
Sub-Total		3,442				3,442
Temporary Space						
Car pound portacabins 1 (sui generis)	135	128			135	128
Car pound portacabins 2 (sui generis)			66	63	66	63
Open sided Salt Store (B8)			279	265	279	265
Suez recycling portacabins 1 (E(g)(i))			145	138	145	138
Suez recycling portacabins 2 (E(g)(i))			58	55	58	55
Sub-Total			548	521	683	649
Overall Total	135	3,570	548	521	683	4,091

Source: PRP Architects

Proposed Uses and Activities

- 2.10 The proposed scheme's description of development is set out in the submitted Application Form and Planning Statement, as follows:

"Detailed planning application for the demolition of existing buildings and structures and the comprehensive redevelopment to provide a mixed-use scheme comprising the erection of three new buildings forming five blocks ranging in height from 5 to 13 storeys. The development will deliver new homes, including affordable extra care homes, affordable general needs homes and market homes (Use Class C3), alongside non-residential floorspace including flexible commercial (Use Class E (a)(b)(g), education and art gallery space (Use Class F1 a/b) and community space (Use Class F2). The scheme includes provision for a basement accommodating plant and cycle storage. Vehicular, pedestrian, and cycle access will be taken from Lots Road. The scheme will be car free except for disabled car parking spaces. Long stay and short stay cycle spaces will be provided. The application also includes associated infrastructure, hard and soft landscaping works, play space and communal open space. Proposals include and enhancements to the Chelsea Creek wall comprising the construction of new retaining structures, intertidal landscaping, and biodiversity improvements".

- 2.11 In terms of proposed commercial and employment generating uses and activities this comprises a total of **2,038.2 sq.m** (Gross Internal Area – **GIA**) of non-residential floorspace including flexible commercial in Use Class E(a)(b)(g), education and art gallery space (Use Class F1 a/b) and community space (Use Class F2). Table 2.2 below provides a breakdown of the proposed non-residential space in the application scheme.

Table 2.2: Proposed Commercial and Non-Residential Floorspace

Use class	Space	NIA* (sq.m)	GIA (sq.m)
F2	Community Centre	237.5	274.3
F1(a) (b)	Ceramics Studio & Art Gallery	96.8	107.9
E (g)	Affordable Commercial Space	605.2	684.3
E (a) (b) (g)	Flexible Commercial Space	866.8	971.7
	TOTAL	1806.2	2038.2

Source: Rolfe Judd

* NIA – Net Internal Area

- 2.12 Flexibility is sought in the open market 'Flexible Commercial Space' category set out in Table 2.2 above, so that all that floorspace could come forward as Class E(g), or some of it could come forward as Class E(a) or E(b), with the remainder as Class E(g). Table 2.3 below describes the proposed 'up to' floorspace limits for each use.

Table 2.3: Parameters for Flexible Commercial Space

Use Class		NIA (sq.m)	GIA (sq.m)	Notes
E(g)	Up to	866.8	971.7	Area is an 'up to' quantum and subject to deductions depending on take up for Class E(a)
E(a) E(b) Café	Up to	127.1	143.0	This would be in either Block A or Block E
E(a) Not Café	Up to	664.8	744.8	This would be in either Block E or Block D (not in the unit next to the Art School)

Source: Rolfe Judd

3. Relevant Planning Policy

Introduction

- 3.1 This section identifies the Development Plan policies, supplementary guidance and national planning policies relevant to employment and commercial land matters. It should be read in conjunction with **Appendix A1** of the Report that provides a more detailed summary.

The Development Plan

- 3.2 The relevant Development Plan for the purposes of the application comprises:

- *London Plan* (March 2021);
- *RBKC New Local Plan Review* (July 2024) (**NLPR**); and
- *LBHF Local Plan* (February 2018) (**HFLP**).

London Plan

- Policy GG5 (Growing a Good Economy);
- Policy E1 (Offices);
- Policy E2 (Providing Suitable Business Space);
- Policy E3 (Affordable Workspace);
- Policy E4 (Land for Industry, Logistics and Services to Support London's Economic Function);
- Policy E6 (Locally Significant Industrial Sites);
- Policy E7 (Industrial Intensification, Co-Location and Substitution); and
- Policy E8 (Sector Growth Opportunities and Clusters).

RBKC New Local Plan Review

- Policy V2 (Our Spatial Strategy);
- Policy BC1 (Business Uses);

- Policy BC2 (Creative and Cultural Businesses);
- Policy BC3 (Affordable Workspace);
- Policy PLV7 (Lots Road Employment Zone);
- Policy SA6 (Site Allocation: Lots Road South); and
- Policy TC7 (Arts and Cultural Uses).

LBHF Local Plan

- Policy E1 (Providing for a Range of Employment Uses); and
- Policy E2 (Land and Premises for Employment Use).

Other Material Considerations

National Planning Policies

- 3.3 The policies of the *National Planning Policy Framework* (December 2024) (**NPPF**) supported by the *National Planning Practice Guidance* (**PPG**) are material considerations.
- 3.4 Relevant parts of the NPPF and PPG are summarised at **Appendix A1** of this Statement.

Supplementary Planning Documents

- 3.5 Two Supplementary Planning Documents (**SPD**) are noted to be relevant to the application site and with respect to employment land and commercial workspace matters. Both are summarised at **Appendix A1** of this Statement:
- *RBKC Lots Road Development Brief SPD* (July 2022); and
 - *LBHF Affordable Workspace SPD* (October 2022).

4. Commercial Market Demand and Supply

Introduction

- 4.1 This section sets out a review and consideration of market demand and supply characteristics and signals for relevant employment generating uses. The analysis uses available information / data as at June 2025 (unless otherwise stated).
- 4.2 Relevant commercial market demand and supply signals have been reviewed with respect to light / general industrial Use Classes E (g)(iii) and B2, and storage or distribution uses (Use Class B8) which reflect the existing land use activities found on the Site.
- 4.3 Office type uses in Use Class E (g)(i) and (ii) are also reviewed as the existing Site does have some small scale office uses at Fairbanks Studio and is located within the designated LREZ which is considered in the Development Plan to be an appropriate location for office activities despite being outside a designated Town Centre area of RBKC.
- 4.4 The review of market signals was undertaken for the immediate Lots Road Sub-Market area (a localised circa 0.5 – 1 mile radius around the Site) and more widely covering areas of both RBKC and LBHF to the west as appropriate. This approach allows for a clearer understanding of the commercial market dynamics and activity within an appropriate area for context.

General Economic Conditions and Investment / Development Market Context

- 4.5 The UK economy and South-east region in particular, has experienced significant change over the last 30 years in terms of both economic structure and economic growth, with an increasing focus on high-value-added, high-level productivity and flexible working.

- 4.6 Over more recent years, the commercial property market can be best described by weaker and cautious market sentiment and although the UK economy has marginally exceeded expectations in Q1 2025, this sentiment is expected to continue in view of an economic outlook which is increasingly characterised by growing uncertainty driven by global geopolitical issues².
- 4.7 Research by Carter Jonas³ into current occupational markets identifies the importance of qualitative considerations for occupiers. In the context of the office market and a reported robust demand for high quality office space in prime city-centre locations, key factors driving demand include ESG aspirations; staff recruitment, retention and wellbeing considerations; and the tightening of MEES regulations (a minimum Non-Domestic Energy Performance Certificate (**NDEPC**) rating of C is currently due to take effect from April 2027).
- 4.8 Notwithstanding this healthy demand for the right product in the right location, there is a reported imbalance of a constrained supply of office space, especially Grade A stock, which is supporting strong demand for serviced and co-working provision from established businesses that are seeking to lease short-term space prior to a move into longer term, available conventional office space.
- 4.9 In the industrial market, the Carter Jonas research identifies the role of economic, political and technological drivers in shaping current demand. This is especially relevant for the requirements for logistics and last mile distribution hubs as supply chains continue to evolve to reduce costs and delivery times, whilst increasing reliability and sustainability credentials. Competition for existing and new floorspace is reported to remain strong and has helped to maintain rental values.
- 4.10 At the West London level, the latest Q1 2025 commercial property update by Frost Meadowcroft⁴ reports a slightly tempered market to that initially anticipated for 2025 following a healthy end to 2024 but equally one characterised by activity in the occupational office market. Furthermore, a clear trend identified by Frost Meadowcroft which “... shows no sign of

² https://www.savills.co.uk/research_articles/229130/375714-0

³ <https://www.carterjonas.co.uk/commercial-market-outlook>

⁴ <https://frostmeadowcroft.com/market-update-q1-2025-commercial-property-market-update-in-west-london-2/>

abating..." relates to office occupier requirements seeking good quality fitted space and also managed space. This builds on research by Savills in the context of the prime Chelsea, Kensington and Knightsbridge office markets, which indicated that levels of office take up had recovered since the Covid pandemic, with the financial sector driving leasing activity ⁵.

- 4.11 Drawing the headline commercial market indicators together, there is a noted national and London-wide trend to an ongoing qualitative 'flight to quality' across the office and industrial sectors. This is impacting on the local RBKC and LBHF commercial markets with secondary and tertiary space (both in terms of location and product) not being well suited to the anticipated new models of industrial and office work, with requirements from existing and prospective occupiers for healthy working environments, improved energy efficiency, and for more sustainable and collaborative workspaces.

Existing Local Employment Floorspace Availability

Local Area

- 4.12 Within one mile of the Site, CoStar Group records there is currently **circa 18,766 sq.m (202,000 sq.ft)** of identified available office / studio employment space as at 12 June 2025.
- 4.13 Of this total, CoStar identifies some **1,686 sq.m (18,158 sq.ft)** as located on Lots Road (at Chelsea Reach and Chelsea Wharf respectively) although the inclusion of floorspace at Plaza 535 (on Kings Road and the corner of Lots Road) would equate to a total office availability of **4,322 sq.m (46,523 sq.ft)** at the local level (based on CoStar data). A further 3,716 sq.m (39,998 sq.ft) of commercial space, albeit understood to be for retail / restaurant space is coming forward at Powerhouse Chelsea (see below).
- 4.14 Review of existing commercial floorspace supply draws on market data, existing supply and current availability collated in the period June 2025 as reported by EG Property Link, LoopNet, CCL research and property agents

⁵ <https://www.savills.co.uk/insight-and-opinion/savills-news/356705/office-take-up-in-knightsbridge--kensington-and-chelsea-up-37---says-savills#:~:text=Savills%20UK%20%7C%20Office%20take%20Dup,Chelsea%20up%2037%25%2C%20says%20Savills>

active in the local commercial market, including market research by Eddisons (via CoStar Group). This has identified that employment floorspace within the immediate local vicinity of Lots Road South is primarily characterised by small, serviced office and studio provision set within distinctive buildings which have been subject to conversion and refurbishment.

4.15 In summary, the following main workspace provision in the Lots Road sub-market area is:

- **Worlds End Studios, 132-134 Lots Road** – located opposite the application site and marketed as WES, a boutique style actively managed serviced business centre in Chelsea offering flexible spaces for independent businesses⁶. The site provides individual offices, studios and showrooms totalling circa 2,322 sq.m (25,000 sq.ft) of floorspace arranged around three private courtyards. At ground floor level Worlds End Studio accommodates a number of showroom format businesses (and there is a market perception of the Studios as comprising a significant amount of showroom type activities) including those focused on interior design (examples including Shiraz an ornamental rug shop, Eclectic Design Studio providing interior design advice and Carewjones.co.uk a London-based firm manufacturing bespoke British furniture with an emphasis on acrylic and glass). The offices provide a variety of unit sizes from one person to large team spaces. Current availability as reported on the property website in June 2025 is limited to two small offices at first and second floor level (Unit 222-223 and Unit 229 respectively) ranging in size from 19 – 26 sq.m (208 – 279 sq.ft)⁷;
- **Fairbank Studios, 77 Lots Road** – forming part of the subject site and located opposite World End Studios, Fairbank Studios is a small business centre providing serviced offices, and suites / showrooms (sixteen in total). Unit sizes are small, typically between 12 – 19 sq.m (130 - 200 sq.ft) and considered suitable for 1-3 persons although some of the suites are larger. Current marketing brochures from Cown and Rutter demonstrate that 5 of the 16 studios are currently available

⁶ <https://www.worldsendstudios.com/>

⁷ <https://www.worldsendstudios.com/available-spaces/>

- **Chelsea Reach, 79-89 Lots Road** – a conversion scheme providing small office suites (ground to 5th floor level) with many occupiers involved in the creative industries, especially interior design services⁸. The commercial marketing agents (Lewis & Co) identify availability of 617 sq.m (6,644 sq.ft) across 5 units at June 2025, ranging in size from 14 sq.m (151 sq.ft) to 233 sq.m (2,503 sq.ft), and marketed at asking rents of £35 - 45/sq.ft⁹. CoStar identifies a total scheme size of 2,057 sq.m (22,145 sq.ft) and an occupation level of 70%. The scheme is located to the north of Heatherley School of Fine Art;
- **92 Lots Road** – comprising a multi-level courtyard office development arranged over three floors and totalling over 948 sq.m (10,200 sq.ft). At June 2025, Frost Meadowcroft report availability of two units; a studio / office unit (34 sq.m/ 370 sq.ft) to let and unit 10 (102 sq.m/ 1,100 sq.ft) is marketed for sale;
- **Plaza 535, 535 Kings Road** – located at the northern end of Lots Road and the corner with Kings Road, a multi-unit office scheme with full height glazed atrium entrance arranged around a private courtyard and set above retail units at ground floor level. Recently refurbished and marketed as modern studio offices, CoStar identifies total availability across multiple units of 2,635 sq.m (28,365 sq.ft) out of a total scheme of 6,140 sq.m (66,094 sq.ft). It is understood from the letting agents Frost Meadowcroft that quoted rental values are circa £25 /sq.ft whilst coworking space is separately marketed within the building at studio 2.22 by LetReady¹⁰;
- **Chelsea Wharf, 15 Lots Road** – located adjacent to the River Thames and towards the eastern end of Lots Road, the Bedford Estates scheme¹¹ provides a mix of renovated offices and design studios (totalling over 4,710 sq.m/ 50,700 sq.ft) arranged around a central courtyard. The units range from circa 46 to 233 sq.m (500 to 2,510 sq.ft) with the property

⁸ <https://www.chelseareach.uk/>

⁹ <https://lewisco.co.uk/properties/chelsea-reach-78-79-lots-road-chelsea-sw10-0rn>
<https://lewisco.co.uk/properties/suite-g1-chelsea-reach-78-79-lots-road-chelsea-sw10-0rn>

¹⁰ <https://letready.co.uk/location/plaza-london/>

¹¹ <https://www.bedfordestates.com/commercial/chelsea-wharf/>

marketing agent (Frost Meadowcroft)¹² and CoStar both identifying current availability of some 1,073 sq.m (11,550 sq.ft) across 8 units (equating to 22% of total space) in June 2025. Quoted rents are up to £37.50/sq.ft (excluding service charges);

- **Chelsea Harbour**¹³ – located adjacent to the River Thames and south of Lots Road, Chelsea Harbour is a luxury development comprising high-end apartments, marina, 5* hotel and offices which are located in two buildings, the Design Centre and Harbour Yard. The Design Centre has a significant influence on non-office uses in the area and is the anchor for a significant local cluster of interior design focused businesses, i.e. design studios, wholesalers, showroom design retail and consultancy. The cluster extends out of the Design Centre and into the ground floor of Lighterman Tower, which is opposite the site. The scheme also provides an element of offices and studios including fully furnished space together with storage, however much of the pure office accommodation is now open E Class to be let for retail / showroom purposes. Units range between circa 30 – 260 sq.m (320 - 2,800 sq.ft) with current availability identified by Frost Meadowcroft¹⁴ across 5 self-contained design studios totalling 407 sq.m (4,378 sq.ft) and ranging in size from 30 sq.m/323 sq.ft (in the Design Studio) to 123 sq.m/1,320 sq.ft (Design Centre East) with quoted rents in the range £30 - £50/sq.ft; and
- **Powerhouse Chelsea, 90 Lots Road** – located within the former Lots Road power station complex, the Chelsea Powerhouse scheme forms part of the wider regeneration and re-development of the area. The scheme is primarily residential in character comprising apartments within the former power station but also includes 20 ground floor commercial units totalling circa 3,716 sq.m (40,000 sq.ft) of retail space and a restaurant as part of the re-development as reported by the letting agents,

¹² <https://frostmeadowcroft.com/properties/chelsea/104666-chelsea-wharf-sw10-0qj/>

¹³ <https://www.chelsea-harbour.co.uk/>

¹⁴ <https://frostmeadowcroft.com/properties/chelsea/565-chelsea-harbour-sw10-0xb/>

Colliers.¹⁵ At May 2025, Colliers report five of the commercial units are under offer.¹⁶

- 4.16 Alongside the aforementioned identified office / studio / showroom schemes which dominate local commercial supply, the self-storage accommodation at Access Self Storage and space previously occupied by Lots Road Auction Rooms (with both forming part of the Lots Road South site) represent existing, specialist non-office provision. In addition, Lots Road (north and south) also contains a number of ground floor units which are predominantly in retail and retail service uses, and in some cases act as showroom space associated with the creative industries based locally.
- 4.17 Other local 'commercial' uses include Heatherley School of Fine Art together with Lots Road Pub and restaurant. Significant areas of residential uses are interspersed with these uses throughout the Lots Road north / south area.
- 4.18 The remaining area of Lots Road (east / west) is primarily residential in character and dominated by the residential conversion of the former Lots Road Power Station (known as Powerhouse Chelsea, see above) that forms part of the wider Chelsea Waterfront development and provides luxury accommodation, including a health and fitness centre and a multi-purpose 'club lounge' for work and social purposes. The regeneration scheme also includes commercial space at ground and first floor level. This area of Lots Road also includes the Chelsea Academy educational establishment with the Chelsea Wharf office scheme located beyond the power station site towards the eastern end of Lots Road.

Wider Area

- 4.19 Beyond the Lots Road South area and looking more widely within circa one mile, the main concentration of identified employment floorspace and availability is primarily comprised of office / studio workspace and focused in a number of established centres, namely at Fulham Broadway to the north west,

¹⁵ <https://www.colliers.com/en-gb/properties/london-sw10-retail-fb-to-let-chelsea-powerhouse/gbr-90-lots-road-chelsea/gbr3027404>

¹⁶ <https://www.colliers.com/en-gb/news/22-05-2025-colliers-announces-letting-of-house-of-flowers>

and to a lesser extent Parsons Green area to the south west. In addition, the Imperial Wharf area to the south supports office provision.

- 4.20 In total, CoStar identifies just over 14,400 sq.m (155,000 sq.ft) of available employment floorspace at June 2025 beyond the office space identified as available at Lots Road and Plaza 535.
- 4.21 Drawing on the CoStar data, relevant examples of office availability in Fulham include the renovated Fulham Centre¹⁷ at 20 Fulham Broadway offering flexible office space (with 581 sq.m / 6,250 sq.ft available) and includes Huddle Fulham coworking space; Blue Building at 38-40 Vanston Place (1,230 sq.m / 13,239 sq.ft available), and Broadway House, 2-6, Fulham Broadway (767 sq.m / 8,257 sq.ft). Other office provision is identified as available to the west in the Parson Green area albeit with lower levels of availability such as Parsons Green House (up to 46 sq.m / 500 sq.ft) and 19, Heathmans Road (76 sq.m / 825 sq.ft available).
- 4.22 In addition, a number of modern offices are identified to the south of Lots Road although these primarily form part of mixed use, residential led development at Imperial Wharf, and Chelsea Harbour (see above). Relevant provision and availability in the Wharf area (as marketed by Frost Meadowcroft) include Station Court on Townmead Road (suites 5 and 14 of circa 60 sq.m / 650 sq.ft each available), The Fountain Centre at Lensbury Avenue (available suites 1, 2 and 3 offer 405 sq.m / 4,364 sq.ft) and Fulham Business Exchange (suite 12 offers 122 sq.m / 1,315 sq.ft)¹⁸.
- 4.23 In contrast, the supply and availability of light industrial stock (Class E(g)(iii)) compared to office floorspace is far more limited in the area. This low level of industrial stock is focused in the LBHF area, and is concentrated at the following locations which are sited to the south west of Lots Road:
- **Imperial Studios, 3-9 Imperial Road, Fulham** – the scheme is located to the west of the subject site and to the rear of the former Imperial Gas Works site (now the Kings Park Road regeneration scheme). The employment site is marketed as refurbished stock available from Q2 2025 (subject to planning) and offering 3,425 sq.m (36,868 sq.ft) of flexible

¹⁷ <https://thefulhamcentre.com/>

¹⁸ https://frostmeadowcroft.com/properties/?_area=chelsea

commercial space (for Class E business, office and light industrial uses) across six units. Marketed as Bloom Fulham¹⁹ the terraced units are promoted as 'reimagined ultra urban warehousing' and available as individual or combined units with ground and first floors, roller shutter doors, eaves heights 3.5m - 4.25m, and range in unit sizes from 336 sq.m (3,617 sq.ft) to 877 sq.m (9,440 sq.ft). Units 1,3 and 5 are significantly larger than Units 2, 4 and 6. The marketing details (Newmark and Montagu Evans act as letting agents) indicate the scheme accounts for a significant proportion of LBHF's available industrial space;

- **Talina Centre, Bagleys Lane, Fulham** – an established industrial and warehouse scheme of self-contained units, located to the south east of Imperial Studios, and in close proximity to LBHF Bagleys Lane Transport Depot and West London Coroners Court.

4.24 A number of small industrial estates exist elsewhere within the study area albeit at the fringe of the catchment, including Parson Green Depot situated off Parsons Green Lane.

4.25 Elsewhere in the LBHF area and beyond the 1 mile focus of this commercial review, it is noted that the stock of new office supply has strengthened in the Borough, including 245 Hammersmith Road (22,481 sq.m / 242,000 sq.ft), which remains the largest new office development in Hammersmith and is marketed as a 'game changer' with availability of circa 8,825 sq.m (95,000 sq.ft) category A, fitted office and lab floorspace²⁰. Other major new offices provision in the Borough include New Timber Yard on King Street which represents boutique office space of 2,787 sq.m (30,000 sq.ft) together with Assembly London which brings together four different offices (Foundry, Smiths Square, Farriers Yard and Forge) ranging from managed workspace to HQ floorspace. This supply of quality new office space to the market will strengthen further in early 2026 with the expected completion of Systems at 43 Brook Green, providing for circa 10,964 sq.m (115,000 sq.ft).

¹⁹ <https://bloom-urban.com/properties/fulham/>

²⁰ <https://245hammersmithroad.com/>

- 4.26 Finally, the Kings Road Park scheme focused at the former Fulham gasworks site to the west of Lots Road, and part of the wider South Fulham Riverside Regeneration Area, includes provision for flexible commercial space (up to 9,290 sq.m / 100,000 sq.ft). Whilst the development is a mixed use, residential led scheme, an element of office floorspace could be anticipated as part of future commercial stock although details remain unknown at the time of writing.

Market Position of Lots Road: Revealed Market Characteristics

Offices

- 4.27 There is some demand for smaller office and studio space in Lots Road and the wider area. This is demonstrated by the workspace provision established in the immediate area (as outlined above) which indicates the attractiveness of Lots Road and area as a destination for small, adaptable workspace orientated towards SME's. Few transactions are however taking place relative to the size of this submarket.
- 4.28 This local 'office' market offer can be best characterised by:
- flexible floorspace, whether office or studio space, which provide for the needs of single or small team occupancy requirements;
 - supported by technology enabled environments;
 - typically available on short flexible terms;
 - represent ready-to-occupy workspaces with minimal set up; and
 - often involve unique and innovative contemporary floorspace and premises that foster collaboration, creativity and innovation.
- 4.29 By contrast, the location of Lots Road at the western fringe of RBKC, is not considered a traditional, large footprint office floorspace area or cluster which fundamentally differs to the small, fitted out space that dominates local provision.
- 4.30 There appears to be a good supply of small, high-quality office and studio provision in the immediate Lots Road area with an identified availability (as at 12 June 2025) of circa 1,686 sq.m (18,158 sq.ft) and further space coming

forward at the Powerhouse Chelsea development (albeit more orientated towards retail uses). This indicates a healthy underlying level of available supply in the immediate area with demand driven by independent micro and smaller businesses across a range of sectors but an increasing focus on the creative industries and media sectors.

- 4.31 The Lots Road sub-market area character of local office provision is consistent with the conversion of former industrial and warehouse floorspace over time. Local commercial agents advise that occupiers are increasingly attracted to those older buildings converted to office / studio space (especially for small scale space sub 46 sq.m (500 sq.ft) where there are elements of retained heritage and character that create distinctive workspace. In the context of the shallow pool of transactions it is significant that the tenants that are in the market appear to prefer quirky heritage style, industrial spaces.
- 4.32 The market demand signals, characteristics and available offer in the Lots Road sub-market area point to a focused, niche offer, providing adaptable floorspace units, including serviced accommodation. Heavily marketed as offering 'boutique' flexible accommodation, the distinct nature of the local offer and variety of provision includes showroom space aligned to the creative industries²¹ (incorporating amongst others crafts, design and designer fashion businesses) in unique, repurposed, buildings with industrial heritage at a location in the heart of Chelsea with easy proximity to Kings Road, Chelsea Waterfront and the Chelsea Design Quarter.

Light and General Industrial and Storage & Distribution

- 4.33 There is a general absence of light industrial accommodation in the immediate Lots Road South area and indeed more widely within 0.5 - 1 mile of the Site, including that capable of meeting modern occupier requirements. Similarly there is very little evidence of storage and distribution / logistics activities within a one-mile radius save for the self-storage provision available at the Lots Road South site currently whilst the main comparable supply is located at Imperial

²¹ The Department for Culture, Media and Sport (DCMS) divides the creative industries into nine sub-sectors: Advertising and Marketing; Architecture; Crafts; Design and designer fashion; Film, TV, radio and photography; Museums, galleries and libraries; Music, performing and visual arts; Publishing; IT, software and computer services (including video games)

Studios (Blooms Fulham) and Talina Centre (both circa 0.5 mile to the west) in the LBHF area.

- 4.34 Fundamentally, RBKC borough is not recognised as a significant light industrial or storage and distribution logistics or warehousing location (this is affirmed in the RBKC Employment Land Study, 2021). It remains that the existing stock of such accommodation types is generally located in the northern area of the Borough just to the south of the A40 Westway (notable areas being around Freston Road, Latimer Road, St Marks Road and Kensal Road). This confirms the general absence of such provision in the Lots Road sub-market.
- 4.35 Overall, the commercial market signals indicate a limited industrial market locally that is more evident in the LBHF area, but equally one that is driven by qualitative considerations with occupier requirements for higher grade 'best in class' quality.
- 4.36 Revealed market signals confirm the importance of flexibility in terms of the size and arrangement of floorspace which is reflected in terms of letting / rental values with investor sentiment increasingly focused on the refurbishment of existing floorspace to deliver the dual requirements of quality and flexibility.

Other Commercial Market Supply Types

Managed, Flexible and Co-working Space

- 4.37 The *HCA Employment Density Guide 3rd Edition* (November 2015) defines managed and flexible workspace as:

“commercially rented serviced premises from which small businesses can trade. The delivery of managed workspace could potentially accommodate a range of spaces, from small office suites through to workshop and light industrial units. The principal focus of these spaces is on providing more formal, individual spaces for small and start-up businesses with a number of shared facilities such as meeting rooms and reception services with an on-site management. These tend to be orientated towards meeting ‘general’ business needs rather than target specific sectors or activities”.

- 4.38 The Guide also defines co-working space at paragraph 3.84 as:

“consisting of a large open plan office area offering shared desks where businesses work alongside one another. They often provide small meeting rooms and conference facilities alongside shared workspace. Operationally they tend to work on a membership basis with businesses having access for a pre-determined amount of time per month, although many do rent desk space on a permanent basis to provide an anchor tenant”.

- 4.39 Changes in the nature and type of workspace accommodation driven by wider national economic and social trends are well evidenced at the local level, with particular growth in managed workspace including flexible space and co-working facilities over recent years. This is increasingly changing the profile of space and represents a market with a number of different products and options for customers.
- 4.40 The managed flex and co-working market in RBKC and LBHF is largely dominated by ‘serviced’ offices with landlords offering flexible solutions whilst the ‘managed’ office effectively replicates serviced office space but with a ‘front door’. An increasing focus is the hybrid office, which combines private space as available in serviced offices mixed with open shared ‘co-working’ spaces and flexible membership options. The benefits of these spaces provide a range and choice for occupiers of all types and sizes, and are typically associated with start-ups and freelancers.
- 4.41 CCL’s analysis of the managed, flex and co-working market within one mile of the subject site has identified many local examples, although the majority of provision relates to managed space. Relevant examples including Worlds End Studios, Chelsea Reach and Fairbank Studios on Lots Road. Analysis of the Flexioffices website ²² identifies a variety of managed space options in the wider area such as at Kings Road (no’s 440 and 559A), Fulham Road (no’s 168 and 262A), 115 Harwood Road, Chelsea Harbour and the Fulham Centre at 20 Fulham Broadway.
- 4.42 A number of office locations offer blended provision. In some cases, a variety of office types are available within a building with managed / serviced and co-working provision provided by specialist operators. The Easyhub Chelsea at

²² <https://www.flexioffices.co.uk/london/lots-road-sw10>

168 Fulham Road, HomeWork Workspace Fulham (25 Effie Road); LetReady (at Plaza 535), Huddle Fulham (at the Fulham Centre); and Fulham Works (Fulham Broadway Centre) all represent examples within the wider Lots Road area that provide co-working space as part of a hybrid offer alongside serviced office provision with flexible terms.

- 4.43 It is noted that RBKC offer co-working space through a number of its libraries in the Borough. Promoted as K+C Co-works, the offer is marketed as “*affordable co-working space for freelancers, remote workers, and businesses*” at three libraries including Chelsea and Brompton²³ which are located at the fringe of the 1 mile study area.
- 4.44 The aforementioned identified local examples all confirm a nature and type of office workspace aligned towards maximising flexibility in contractual terms, floorspace size and amenity facilities, and marketed as offering affordable and collaborative environments for occupiers. These flexible workspaces targeted at small businesses have especially helped to support the creative industries in London, including the creative hub associated with the Chelsea Design Quarter which includes Lots Road.
- 4.45 Local commercial agents report a growing preference for ‘ready to move in’ space and some demand for flexible and managed office space in the local market, driven by a trend towards more flexible and affordable accommodation options away from the traditional office and those seeking an alternative hybrid location from home working. The role of the creative industries in the local area is considered important in driving demand for suitable serviced workspaces, which by its very nature comprises a great diversity of sub-sectors which vary significantly in their activities. Finally, the growth in the quantum of residential units in the local area is also reported to have driven an increased demand in flexible workspace in the Lots Road area.
- 4.46 In summary, the growth in demand for office flex space has, in a large part, been driven by the contribution of the creative sector at the local level. This mirrors national trends but is especially relevant to the London commercial market, where clusters and hubs are concentrated at certain locations such as the Chelsea Design Quarter which extends along Lots Road and the wider

²³ <https://www.rbkc.gov.uk/libraries-0/libraries-and-room-hire/kc-co-works>

influence, in Hammersmith & Fulham, of the 'TV Triangle' (stretching from Chiswick and along Great West Road towards the former BBC TV Centre at White City). Strong levels of demand from small, owner-managed businesses and start-ups across a range of sectors exist within the TV Triangle particularly from the concentration of the media, broadcasting, ICT and digital industries present and the relationship with technology and media start-up businesses. Many of these emerging businesses associated with these creative industries are seeking affordable space (and often space with a modest, 'industrial style' internal fit out) typically wanting opportunities for clustering within hybrid working environments and based on co-location with micro-businesses.

Arts Studio Space

- 4.47 The *HCA Employment Densities Guide 3rd Edition* describes studio space at paragraph 3.82 as:

“Studio workspaces are usually artist spaces that can be operated as standalone, individually occupied units within a range of settings or as part of a more managed collection of spaces. Traditionally these have come forward in locations with an industrial heritage given the building types these locations provide; they tend to be similar to ‘light industrial’ units in their specification but are likely to include some integrated desk space”.

- 4.48 A niche area of workspace, CCL analysis of the supply of arts studio space in the local area has identified a relatively limited level of supply. Dedicated arts studio exists at Rossetti studios²⁴ on Flood Street (east fringe of the study area) which has been restored and refurbished, and provides 8 artist studios actively marketed to the creative industry. There are also a number of local 'studio' spaces within existing buildings which provide for art studio workspace such as at Chelsea Wharf on Lots Road (Chelsea Fine Arts) and Chelsea Farm House Studios at Milmans Street.
- 4.49 CCL have identified other 'studio' space at the local level although this is typically occupied by and marketed to a wide range of creative industries and not just arts space. Local examples at Lots Road include Worlds End Studios and Chelsea Wharf which both contain a variety of creative businesses in

²⁴ <https://www.cadogan.co.uk/rossetti-studios/>

‘design studios’ whilst Chelsea Reach (79-81 Lots Road) is marketed as studio space that includes SW10 Studios, a photographic gallery. In addition, the Design Centre at Chelsea Harbour acts as a large showroom venue for the interior design sector and is not a traditional arts studio.

- 4.50 In considering the role of the proposed commercial space at Lots Road, it is noted that ceramic studio and art gallery space (107.9 sq.m / 1,161 sq.ft) forms an element of the planning application floorspace, and that the ceramic studio and art gallery will serve the adjoining Heatherley School of Fine Art. This is considered a positive contribution to the supply of dedicated arts studio space locally, enhances the facilities available to the specialist art school, and further strengthens the local creative cluster.

‘Maker’ Industrial Space

- 4.51 The HCA *Employment Density Guide 3rd Edition* defines ‘maker’ spaces at paragraph 3.83 as:

“spaces that provide “an ‘open workshop’ within a light industrial type unit. They provide a single shared space for working which provides a range of tools and machinery aimed at reducing costs for small and start up production businesses. Maker Spaces tend to be run on a membership model where businesses rent time within the space and time using the large equipment separately”.

- 4.52 CCL research has not identified any dedicated maker space in the area in accordance with the above definition. Notwithstanding this, the concentration of creative businesses in the Lots Road area, some of which utilise workspace as a studio to display interior design products, indicates there could be potential to provide new makerspace in the absence of known supply. Examples such as the Design Centre at Chelsea Harbour together with some studio space at Worlds End Studios, Fairbank Studios and Chelsea Reach on Lots Road currently act as important destinations for the design and creative industries but do not operate as traditional maker space.
- 4.53 Whilst local commercial agents report the importance and contribution of the design / interior design, crafts, technology and media base in the local area’s economy as a demand driver for small flexible workspace, the supply of floorspace for other elements of the creative sector, including traditional

‘maker’ industries, is reported as untested largely given the absence of light industrial / light production / assembly type space (i.e. former Class B1c activities). However it is recognised that ‘maker’ activities comprise a wide variety of businesses, which can be accommodated within office/studio orientated spaces as evidenced by the named examples at the local level.

- 4.54 In summary, given the Lots Road area supports a concentration of businesses across the creative sector at the heart of the Chelsea Design Quarter, it is reasonable to conclude that some demand for modern, affordable ‘maker’ space could be expected notwithstanding that this would not technically accord with the HCA Guide definition. The proposed flexible commercial space at Lots Road South could help contribute towards this type of niche provision.

Pipeline Supply and Future Demand for Floorspace

RB Kensington and Chelsea

- 4.55 The most up-to-date employment and commercial land demand evidence for RBKC is set out in the ‘*Employment Land Study: Royal Borough of Kensington & Chelsea Final Report*’ (October 2021) prepared by Icení and BNP Paribas (ELS).
- 4.56 The purpose of the ELS is to provide an up-to-date employment and commercial land analysis for the borough as part of the evidence informing the NLPR.
- 4.57 The ELS focuses on assessing the functional economic market area and characteristics of the economy in RBKC and then appraising the potential future employment land floorspace needs up to 2043 for offices and for industrial and warehousing activities. It also provides an analysis of the viability of future employment floorspace provision.
- 4.58 In Section 10, the ELS draws a series of conclusions and policy recommendations concerning the future demand and supply balance of office, industrial and storage / distribution land, noting:
- a) office floorspace supply has been steady in recent years with a decrease noted in 2019. This is different to the situation across London where there has been a notable decrease in existing office space. The majority of

existing office space is contained in units of 100 – 1,500 sq.m (1,076 – 16,145 sq.ft);

- b) industrial space has been in decline in recent years across RBKC, with a rate of decline faster than that of London as a whole. Much of the industrial space is less than 100 sq.m (1,076 sq.ft) and most is within a range of 100 – 500 sq.m (1,076 – 5,381 sq.ft) representing small and medium sized industrial stock;
- c) office vacancy rates were at 5.8% in 2021, greater than the ten-year range of 1.8 – 3.9% vacancy. This is attributed to the effects of the Covid-19 pandemic at the time;
- d) industrial vacancy rates in RBKC stood at 1.5% in mid-2021 and had not suffered any notable adverse effects from the Covid-19 pandemic as there was greater reliance on internet retailing and more demand for logistics and last mile distribution facilities;
- e) office market rents were forecast to decline during 2021 and then recover from 2022 onwards with growth of circa 3 - 4% per annum;
- f) for industrial space the average market rent for available space was £29.89 per sq.ft in June 2021 having increased by 2.9% from the previous year. The ELS described this as continued tightening of supply resulting from long term losses of industrial floorspace to other uses coupled with demand driven by the effects of the pandemic;
- g) the ELS identifies the importance of protecting the three designated Employment Zones, including Lots Road Employment Zone²⁵, given a context at that time of tight supply of office and industrial floorspace and market demand signals indicating sustained demand over time;
- h) regarding future floorspace requirements, the ELS concluded a need for 86,400 sq.m (930,001 sq.ft) of office floorspace in the period to 2043, with a sensitivity analysis based on a 30% improved efficiency of floorspace

²⁵ To note, neither the LREZ area nor the Lots Road South Site itself are identified in the *London Plan* (March 2021) as either Strategic Industrial Land (**SIL**) or as a Locally Significant Industrial Site (**LSIS**)Draft

utilisation resulting in a need for some 60,500 sq.m (651,216 sq.ft) in the same period. The ELS recommends the 60,500 sq.m figure is used for Local Plan policy requirements but that market conditions should be revisited in the near term as the market stabilises post pandemic. **The ELS identifies that most of the future requirement is already in the development pipeline based on extant planning permissions²⁶.** Losses are also anticipated due to further conversions of existing stock from office to residential or alternative uses;

- i) turning to industrial uses, the ELS forecasts a recommended requirement of 9,000 sq.m (96,875 sq.ft) of additional floorspace by 2043. It notes that this is to support an increase in the low vacancy rate but also considers the amount of additional floorspace to be ambitious in policy and market terms due to viability with other uses. It further highlights that the industrial needs of RBKC will most realistically be met in the London-wide functional economic market area and particularly locations such as Park Royal; and
- j) for the Lots Road Employment Zone, the ELS concludes that there is a “*unique offer*”. It recommends that loss of commercial space should be restricted but that further residential integration is unlikely to harm the employment offer as long as commercial floorspace levels are maintained. It recommends maintaining the existing space or increasing it alongside residential provision.

4.59 RBKC’s Authority Monitoring Reports (**AMR**) provide an annual update on a range of matters including employment land supply and pipeline trends in the borough. The latest AMR from December 2024 offer evidence of the most recent employment land changes and trends across the borough.

4.60 Monitoring of employment and business floorspace supply is measured against a target of creating +60,500 sq.m of additional Class E(g) (office, R&D and light industrial) floorspace by 2043 (based on the ELS, 2021).

4.61 Section 6 of the AMR: Planning and Place Monitoring Report 2024 (December 2024) focuses on employment and business floorspace change from paragraph 6.155 et seq. In paragraph 6.159 it notes that the 2023 – 2024

²⁶ A position that the various RBKC Annual Monitoring Reports 2022 – 2024 also highlight (see below)

period has seen little change in completed office floorspace with a small total net increase of +2,816 sq.m. It notes that this was largely due to the development of Kings Wall Mall (118-122, Kings Road) delivering 2,055 sq.m of the total net additional floorspace.

4.62 For new permissions, the 2024 AMR identifies at paragraph 6.160 that there was a net increase of 27,116 sq.m of office floorspace granted planning permission between October 2023 and September 2024 relating to four proposals that are located at:

- **Land at 43-45 and 39-41 Notting Hill Gate and 161-237 Kensington Church Street (Newcombe House)** - a mixed use redevelopment providing 23,104 sq.m of Class E(g) floorspace representing a net increase of 17,485 sq.m of office floorspace from the existing situation;
- **Nos. 3-5 Crowthorne Road** - new building proving 2,600 sq.m of flexible E Class office space;
- **Nos. 81-103 King's Road** - for redevelopment of the building, including provision of 10,344 sq.m of office space; a net increase of 5,102 sq.m; and
- **Nos. 3-5 Sloane Street and 4 Basil Street** - for a change of use of 1,476 sq.m from retail to flexible E Class use. It should be noted that the ultimate use may not be Class E(g) floorspace however.

4.63 The AMR concludes that the net increases suggest demand for high quality office space is strong in the right locations.

4.64 The recent AMR 2024 findings contrast with the previous year, AMR 2023, which had found that there had not been a significant change in scale in provision reflecting a slowdown in the office market from net gains in 2022 (that earlier year had seen increases of +11,173 sq.m completed floorspace and +8,706 sq.m of new permissions²⁷ contributing towards the total 60,500 sq.m of new floorspace need identified in the ELS.

4.65 At paragraph 6.163, the AMR 2024 notes that the ELS found a net need of 60,500 sq.m to 2043. The AMR concludes that much is already in the

²⁷ Paragraphs 6.53 and 6.54 of RBKC *Planning and Place Monitoring Report*, December 2022

development pipeline (implemented and permitted but as yet unimplemented developments) estimated in 2023/24 to be 51,654 sq.m with some nine years of the plan period remaining after the latest monitoring period.

- 4.66 The AMR 2024 identifies in Figure 6.31 that growth in commercial office floorspace has shown an uptick in 2023/24 following the overall trends evident since 2019/20 (other than 2022/23) and total office development pipeline broadly aligns with the identified needs.
- 4.67 With respect to the spatial location of floorspace, paragraph 6.63 at in Figure 6.13, the 2023 AMR highlights that the Kensal Employment Zone and the borough's main town centres remain the most attractive areas for new Class E(g) (offices) to be built out (the 2022 AMR concluded the same at paragraph 6.60). The 2024 AMR does not comment specifically on location of office floorspace. None of the 2022, 2023 or 2024 AMRs identify the Lots Road Employment Zone as a focus for delivery of Class E(g) floorspace.
- 4.68 Turning to Industrial uses (Class B2) and Storage & Distribution (Class B8) the 2024 AMR has little to report (similar to the situation in the previous 2023 AMR), noting at paragraph 6.172 that there were no permissions that would change the existing stock of these uses recorded in 2023/24.
- 4.69 Trends in office stock vacancy rates are analysed by the AMRs (there is no analysis of industrial or storage and warehousing vacancies). The 2022 AMR found a 5.8% vacancy for existing office floorspace (see paragraph 6.61), while the 2023 AMR noted at paragraph 6.64 an increase in the office vacancy rate to 8%, the largest level of vacancy (and therefore availability of office stock) in the past decade. The 2024 AMR confirms a current vacancy rate for existing office stock of 7.3% (based on data from a Frost Meadowcroft Market Report covering the period to end of Q2, 2024).
- 4.70 While the AMRs suggest that a vacancy rate of 8% represents a healthy market to allow for churn and choice, it is CCL's view that office vacancy rates exceeding 5% reflect increasing availability of space and a diminution of demand, especially as the rates increase to and above 8%. In any event, the current levels of office vacancy reflect an ongoing, increasing trend of vacancy in RBKC above the levels recorded in the ELS in 2021 (see above, which reported vacancy rates of circa 1.8 – 3% at that time). This is significant, alongside the aforementioned flight towards higher quality newer

accommodation in main town centre locations away from older or secondary / tertiary grade stock.

- 4.71 Overall, the latest AMRs 2022 – 2024 helpfully establish some of the key office (Class E(g)) and industrial floorspace supply dynamics in the period since the ELS was completed in 2021. The picture reflects a focus on delivering new office floorspace in established office locations in the main town centres and little if any change in industrial (B2 Class) or storage and distribution (B8 Class) floorspace.
- 4.72 The AMRs also confirm that RBKC continues to drive towards meeting its identified commercial employment needs, particularly for offices (Class E(g)) floorspace albeit with some significant growth in the latest 2023/24 year that are to be expected and as the ELS suggested in its conclusions. The growth in office vacancy rates suggests a potential move towards greater availability and choice in the borough's office market but also the continued focus on occupier expectations, and flight towards higher quality newer accommodation in main town centre locations away from older or secondary / tertiary grade stock.
- 4.73 With respect to the supply of General Industrial (B2) and Storage and Distribution (B8) space, the AMR's continue to demonstrate themes evidenced in the ELS that there is limited demand for such floorspace / units and the borough is not really considered as a key industrial or logistics and storage location in the wider west London context.

LB Hammersmith and Fulham

- 4.74 The adopted LBHF Local Plan (2018) does not specify in policy the level of net additional employment land or floorspace to be developed during the plan period.
- 4.75 The Plan makes reference at paragraph 7.7 to the London Office Policy Review, 2014 (**LOPR**) projected requirement for an additional 290,000 sq.m (gross) of office floorspace by 2036 and the Council's own *Employment Study: Borough of Hammersmith & Fulham*, 2016 (see below) which projected a higher need of 383,000 – 511,000 sq.m (to note this range is a gross rather than net additional figure) office accommodation.

- 4.76 The Spatial Vision (page 27) of the Plan indicates that the borough's vision is for it to be renowned and recognised nationally and internationally for expertise and opportunities in growth sectors including science, technology, engineering and maths. Inward investment is encouraged to support new enterprises and start-up businesses and to facilitate job growth in the local area.
- 4.77 **Policy E1 (Providing for a Range of Employment Uses)** supports the development of mixed use schemes for new employment activities especially those that recognise the borough's strengths in creative industries, health services, bio-medical and other research. The same policy supports retention, enhancement and intensification of existing employment uses and a requirement for flexible and affordable workspace suitable for SMEs within large new business developments.
- 4.78 The *Employment Study: Borough of Hammersmith & Fulham (ESBHF)* was prepared by consultants Frost Meadowcroft for LBHF and published in February 2016.
- 4.79 The ESBHF forms part of the evidence base for the adopted LBHF Local Plan (2018) but is plainly now a dated part of the evidence base founded on data and market information from the 2014/15 period. It is also noted that the ESBHF was focused predominantly on office floorspace and uses and had little information or analysis on existing or future need for industrial or storage and distribution uses.
- 4.80 The ESBHF characterised the commercial property market in LBHF at paragraph 4.8 as:

"The main commercial occupiers are retail and offices with fewer occupiers of light industrial. The profile of the office market varies across the Borough and can be identified with specific features of demand, tenant profile and values. As with all markets, the Borough provides a mix of stock from small mews style office buildings scattered across the Borough, to larger purpose built office developments or converted warehouses in the core commercial clusters. LBH&F has a full cross-section of business types but in the same way as the City of London is known for its financial services, so LBH&F is more known for its media companies, perhaps because of the historic presence of the BBC in the north of the Borough".

4.81 To the extent that the ESBHF now provides relevant information given the elapse of time since publication, the Study's key findings include:

- a) Office availability is at an all-time low in the London market and west of the West End. The latest research shows the availability rate in the Borough of Hammersmith & Fulham is down to a rate of 3.85%. The neighbouring Royal Borough of Kensington & Chelsea is at 1.72%;
- b) 38,650 sq.m was vacant in the Borough in 2015 compared to WS Atkins' estimate of 126,348 sq.m vacancy in the previous Employment Study undertaken in 2005. The conclusion was drawn that 38,276.05 sq.m was taken up by occupiers from September 2014 to September 2015 representing circa one year of supply;
- c) reduction in B Class floorspace supply to 2015 totalled 71,225 sq.m of formerly B Class land and buildings converted or demolished with planning approval for conversion or construction of residential property, of which 50,433 sq.m were industrial and 20,791 sq.m was offices;
- d) the combination of high office demand and low supply due to the loss of stock from conversion to residential in LBHF resulted in the fastest rent and capital value gains for offices since the late 1980s in the years 2013 to 2015;
- e) 38,276 sq.m was taken up by occupiers from September 2014 to September 2015 in LBHF. The take up in September 2014 to September 2015 was just below the five yearly annual trend of 40,319 sq.m. At that time the dominant occupier take-up sector was in Telecoms Media and Technology (**TMT**) representing 46% of total take-up and then services and health / education at 8% take-up in each sector.
- f) average rents in LBHF as at September 2015 stood at £35 per sq.ft (**psf**), with the highest recorded achieved rent at £57.50 psf in Hammersmith Town Centre and £52.50 psf in Shepherds Bush. The previous 2005 Employment Study had found the average asking rent was £24.82 psf for office space. The ESBHF concluded that the driver for rental growth at that time was lack of new supply and good demand for prime floorspace;
- g) there was strong potential for the upgrading and enhancement of existing office stock and buildings as they represent a legacy of office development

from the 1960s – 1990s. Rental growth in the period from 2011 – 2015 was found to be a driver of investment in the quality of existing stock at that time;

- h) on an annual basis the Study recommended a further 18,260 sq.m of B1 use office space was required per annum (representing an increase of 1.8% compared to the existing total stock level at the time of the Study).

4.82 The Borough's Annual Monitoring Reports²⁸ provide a more recent snapshot picture of employment land supply, especially with regard to employment floorspace. It is important to note the disaggregation of the data by use – offices, industrial or storage / distribution appears incorrectly totalled or attributed for some years:

- 2021 / 2022: 2853.7 sq.m completed²⁹ and 2,356 sq.m approved³⁰ (permitted but not implemented);
- 2020 / 2021: 10,710 sq.m completed and 383,478 sq.m approved (permitted but not implemented)³¹;
- 2019 / 2020: 1,490 sq.m completed (all office floorspace); 101,887.8 sq.m approved (permitted but not implemented) (all office floorspace)³²
- 2017 – 2019: the published AMR does not provide completion or approval / permission figures³³ but refers back the ESBHF study completed in 2016.

4.83 The recent years' AMR data shows a significant emphasis in the approval and completion of mainly office (Class E(g)) floorspace. For each year the approvals and completions appear to be for a relatively small number of larger schemes. The effect of the Covid-19 pandemic on approvals and completions

²⁸ The latest AMR published by LBHF is for the year April 2021 – March 2022

²⁹ AMR 2021/2022 Indicator 18, summed from Permitted and Completed Floorspace Table (Page 18)

³⁰ AMR 2021/2022 Indicator 18 (page 18)

³¹ To note, while the overall totals for 2020 / 2021 appear correct, the breakdown of floorspace approved and completed in the AMR by use (office, industrial or storage and distribution) is incomplete and appears to be incorrectly totalled and are not therefore reproduced in this report

³² AMR 2019 / 2020 Indicator 18, page 13

³³ AMR 2016/17 – 2018/19 Three Year Compendium, Indicators 19 and 20, page 9

is evident in the 2021 – 2022 year. It is also notable that the AMR's record very little, if any new industrial or storage / distribution floorspace coming forward.

5. Proposed Scheme Employment and Commercial Space Provision

Introduction

- 5.1 This section of the report examines the employment land characteristics and compatibility of the Site to offer commercial floorspace in future within its wider context.
- 5.2 It then sets out in summary the principal offer of the proposed employment-generating elements of the scheme and its alignment and contribution towards economic growth objectives for the Lots Road Employment Zone and for RBKC and LBHF boroughs more widely.
- 5.3 The application Site's employment land 'credentials' are considered in light of the guidance in the NPPG and from the GLA highlighting the challenges and opportunities presented. Finally, the section assesses the potential post-development new employment opportunities that could be created both on-site and indirectly through the local and regional supply chain.

The Site's Commercial Offer Compatibility and Potential

- 5.4 The Lots Road South application site has been reviewed in terms of key characteristics and factors relating to its existing and future potential to provide or support employment generating uses and activities.
- 5.5 The current employment space offered on the Site reflects a significant under-utilisation in employment activity and density terms by existing occupiers and users. Indeed, the layout and arrangement of the buildings on-site is the product of the Site's very particular history and use and has resulted in the rather low existing levels of employment activity on-site.
- 5.6 The existing layout is not conducive to alternative employment or commercial activities as it was designed around the original intricate assembly of smaller and medium sized industrial uses found in the area historically and arranged

along the now long-filled Chelsea Creek to the west of the buildings fronting to Lots Road South.

- 5.7 Refurbishment or conversion of the existing buildings to provide for future employment generating use has been reviewed but would be neither practicable or deliverable nor consistent with the RBKC *New Local Plan Review* site allocation Policy SA6 objectives or with respect to the wider ambitions for the Lots Road Employment Zone (Policy PLV7), or for economic growth in LBHF.
- 5.8 New build re-development of the application site is necessary in commercial market terms to create modern, high quality, floorspace that is fit-for-purpose and aligned to occupier expectations now and in the longer term. This is particularly important for Lots Road in the context of revealed occupier demand, locally and across the two boroughs, for high quality, modern flexible commercial space at accessible locations, and where the design and new creative SME clusters already exist or could be readily created and reinforced.
- 5.9 Furthermore, the characteristics of the Site and its immediate surroundings, as well as evidence from revealed local commercial market demand and supply (set out in preceding sections of the report) highlight potential for provision and support for smaller commercial spaces rather than large-scale, larger-footprint employment space, provided at an appropriate scale for the location, where transactions and take up levels are relatively low.
- 5.10 In broader locational terms, the Lots Road Employment Zone does not lend itself towards a substantial new build office or industrial employment floorspace development as the location, while close to an existing town centre, is of a lower market prominence at some substantial distance from key strategic road and public transport access points (that would be critical for staff and clients / visitors). It is also somewhat distant from other commercial employment workspace clusters identified in the RBKC and LBHF boroughs latest employment land studies that identify the focal points for new employment floorspace and intensification of employment generating activities elsewhere in both boroughs. The 4,000 sq.m referenced in Policy SA6, would be approximately 72% larger than the adjoining Worlds End Studios and would represent an oversupply for this site.

- 5.11 Therefore, the new commercial floorspace proposed by the development scheme is intended to offer various smaller flexible footprint commercial units that could suit showrooms, office and studio, mixed 'maker' and creative spaces for a range of smaller business occupiers and traders consistent with the existing mix and range of activities in the Lots Road Employment Zone area, at a scale that is appropriate for the location.
- 5.12 This is a type of floorspace that is currently in demand within the Lots Road Employment Zone area, and more widely within the Chelsea and Fulham areas, where there is evident demand for high quality, smaller but modern space.
- 5.13 Demand is particularly noted for high quality space reflecting good building environmental performance credentials and also for units that are well managed and serviced. Such space could be attractive to creative and media-related small businesses as well as those seeking an alternative to larger and more inflexible footprint office accommodation typically found elsewhere in the defined town centres of RBKC and LBHF.

The Future Proposed Scheme's Employment Offer

Overview

- 5.14 The proposed scheme establishes a strong, distinctive new employment floorspace within the Site and for Lots Road South that will directly support the economic growth ambitions of RBKC and LBHF as well as help meet identified employment land needs arising in the period as described in the respective boroughs Local Plans.
- 5.15 The application scheme proposes the re-development of the existing site and the creation of new flexible commercial, affordable commercial and ceramics and art gallery space as part of the overall scheme, which also includes ground floor community space.
- 5.16 The proposed development scheme for the Site therefore offers the opportunity to create mixed commercial floorspace that:
- reflects existing and likely local future SME demand in the area;

- respects and promotes the integrity and function of the Lots Road Employment Zone; and
- supports the co-location and intensification of existing design, arts, creative, media, flexible office, 'maker' and showroom type uses in the area.

5.17 It offers new, high quality employment floorspace that accords with the approach to such provision laid out in the relevant Development Plans of both RBKC and LBHF.

Scale and Layout

5.18 In terms of commercial and employment generating uses and activities this comprises a total of **2,038.2 sq.m** (GIA) of non-residential floorspace including flexible commercial (Use Class E (a)(b)(g)), education and art gallery space (Use Class F1 a/b) and community space (Use Class F2). Table 5.1 below provides a breakdown of the proposed space.

Table 5.1: Proposed Commercial and Non-Residential Floorspace

Use Class	Space	NIA* (sq.m)	GIA (sq.m)
F2	Community Centre	237.5	274.3
F1(a) (b)	Ceramics Studio & Art Gallery	96.8	107.9
E (g)	Affordable Commercial Space	605.2	684.3
E (a) (b) (g)	Flexible Commercial Space	866.8	971.7
	TOTAL	1,806.2	2,038.2

Source: Rolfe Judd

* NIA – Net Internal Area

5.19 The submitted Proposed Layout Plan (ref: **LTS-PRP-ZZ-00-DR-A-11100**) shows the proposed arrangement and scale of non-residential floorspace as follows:

- the flexible commercial floorspace is to be delivered in four separate areas at the ground floor level of Blocks A, D and E. The flexible commercial space totals **971.7 sq.m** GIA within Use Class E (a)(b)(g). The main commercial space frontage and entrances face to Lots Road but

also face to the external courtyard between blocks A and E, with access provided from the courtyard;

- the specific Affordable commercial space area is a further **684.3 sq.m** (GIA) and would be within the ground floor below Blocks B, C and D, under the podium garden;
- the ceramics studio and art gallery space (Use Classes F1 a/b) totalling **107.9 sq.m** (GIA). This would be situated in Block D and provides an area of education and cultural space adjacent to the existing Heatherley School of Fine Art at the northern end of the Site fronting to Lots Road; and

Overall Objectives and Focal Types of Businesses and Sectors

- 5.20 The proposal is for distinctive, flexible spaces in Class E(a) (b) and (g). The flexible commercial and affordable commercial spaces together provide **1,656 sq.m³⁴** (GIA).
- 5.21 Flexibility is critical in the open market 'Flexible Commercial Space' to ensure that the units provided are capable of being fully utilised over time, is adaptable for different types and sectors of business and traders, and responsive to market requirements. This will provide a suitable and resilient occupier 'eco-system' that reflects occupier demands and employee expectations both now and in the longer term future.
- 5.22 The flexible space includes the ability to provide units that could accommodate office-based businesses, 'maker' space (compatible light industrial type activities) and units for the display and sale of good from relevant local industries such as interior design and creative arts (showroom type) space. Provision is also made for the possible future return of Lots Road Auction House to utilise part of the space on site, below Block D.
- 5.23 Parts of the deeper footprint areas in the Affordable commercial space may be particularly well suited to supporting creative industries and businesses involved in media, ICT, photographic and video production, podcasting and similar activities where sound-proofing and greater privacy can be offered. The

³⁴ 684.8 sq.m Affordable commercial space + 970 sq.m Flexible Commercial Workspace = 1,654.8 sq.m GIA total

flexible arrangement and layout of the floorspace and the provision of affordable commercial space at the heart of the scheme's design can therefore help to support key and priority sectors identified in the London-wide, LBHF and RBKC economic strategies³⁵ (**Appendix A2** of this report summarises each of the relevant strategies).

5.24 The Applicant's strategy for commercial space therefore seeks to support and bring together several target type businesses reflective of the eclectic nature of the existing local community in and around Lots Road:

- occupiers that will contribute towards the development of the existing interior design cluster;
- entrepreneurs and start-ups, seeking affordable commercial space and support;
- hybrid workers wanting a sociable working environment 2-3 days a week;
- local employers based in or near to Lots Road, who need a premium venue for business;
- creative and maker space design sectors including ceramics and arts;
- bloggers, photographers, audio producers and film-makers, etc. requiring drop-in production facilities; and
- a café operator to provide a distinctive creek side food and beverage offer.

5.25 The approach is to present a distinct offering at the Lots Road South site that will make a substantial positive contribution to the Lots Road Employment Zone economy.

5.26 Overall, the proposed flexible commercial space, including the affordable commercial space, will be capable of supporting a mix of occupiers, generating an eco-system opportunity for designers, small businesses and retailers,

³⁵ Key economic strategies and growth plans, including priority economic sectors are set out in relevant strategies: *London Growth Plan* (February 2025), GLA and London Councils; the *Mayor of London's Economic Development Strategy for London* (December 2018), GLA; the *Live Work and Learn, Our Plan for a Successful Local Economy* (2019), RBKC; *Economic Growth for Everyone – An Industrial Strategy for Hammersmith & Fulham* (September 2017), LBHF; and *Upstream London: The Innovation Borough – Accelerating Inclusive Growth White Paper* (2024), LBHF

freelancers and the local business supply chain that could not be delivered through a more traditional market only office space rental / lease approach for the buildings.

- 5.27 Together all these spaces will support job creation, collaborative working and the opportunity for business and community networking and events as part of the overall commercial and economic ambitions for the application site.

Affordable Workspaces and Fostering a Supportive Business Environment

- 5.28 There will be a significant quantum of 'affordable' commercial space offered on-site (see further details set out in Section 6 of this report) which explains the details of the approach to securing affordable space, defines the types and quantum of affordable commercial space and its management and operation in the future.
- 5.29 From the outset, the Applicant has sought to ensure that there is a credible, experienced and reputable provider in RBKC's Property Team in order to operate and manage the flexible workspaces.
- 5.30 The provider has an appropriate background suitable for delivering and sustaining a high quality environment and business eco-system within the application site.
- 5.31 The provider will operate and manage the workspace and offer business support activities and facilities aimed at start-ups, SME grow-on and scaleups. This forms part of the overall workspace offer that accords with both RBKC and LBHF policies and economic strategy objectives to secure 'affordable' workspace through setting appropriate discounted rental levels and cost controls for business premises but also through added value support activities and mechanisms including:
- providing advice, skills and mentoring to local businesses; and
 - working in partnership with the local business groups to foster and nurture businesses and sectoral strengths in the Lots Road area including creative, media and arts.

Alignment and Contribution of the Proposed Scheme to RBKC and LBHF Economic Growth Objectives

- 5.32 The proposed affordable commercial space, gallery and studio provision will contribute significantly and align with London-wide and the two borough's economic development objectives as summarised in Table 5.2 below.

Table 5.2: Summary of Proposed Scheme’s Employment Offer Aligned to London-wide and RBKC / LBHF Economic Development Objectives

Economic Growth / Employment Land Objective	Alignment with Development Plan Policies and Economic Strategies	Proposed Scheme Offer
Support for Retention of Employment Uses on Site	<ul style="list-style-type: none"> • London Plan policies: GG5, E1, E2 and E6 • RBKC Local Plan policies: BC1, BC2, PLV7 • LBHF Local Plan policies: E1, E2 • RBKC Economic Strategy³⁶: Action 42 	<ul style="list-style-type: none"> • The proposed development scheme incorporates substantial new commercial space and other employment generating space (community centre, education, ceramics studio, art gallery, ‘maker’ space, showroom and café space) within the overall design • The floorspace is designed and laid out to encourage support for SME businesses in relevant economic sectors for the Lots Road Employment Zone and more widely the sectors that are identified as priorities in the RBKC and LBHF economic strategies

³⁶ *Live, Work and Learn, Our Plan for a Successful Local Economy* (2019), RBKC

<p>Creation of a Mix of New, High Quality Employment Generating Floorspace</p>	<ul style="list-style-type: none"> • London Plan policies: E1, E2, E3, E6 and E8 • RBKC Local Plan policies: BC1, BC2, BC3 PLV7, SA6 • LBHF Local Plan policies: E1, E2 • RBKC Lots Road South Development Brief • London Mayor's Economic Development Strategy: section 4.1 • Upstream London: The Innovation Borough³⁷ White Paper – core pillar Place – ensuring affordable, flexible office and laboratory space 	<ul style="list-style-type: none"> • 2,038.2 sq.m (GIA) of new Class E(a) (b) (g)) flexible commercial space, education and art gallery space (Use Class F1 a/b) and community centre (Use Class F2) making optimal use of the ground floor and frontage to Lots Road and with respect to the wider design and layout principles for the application site established in the Lots Road Design Brief and relevant Development Plan policies • Creation and encouragement of a commercial space cluster to support the evolution of design and economic sectors in the Lots Road Employment Zone area and support synergistic business support and growth opportunities • A wide variety of mix and choice of spaces including a ceramics studio and art gallery space, which shall be occupied by Heatherley school of Fine Art, and dedicated 'affordable' commercial workspaces available for smaller and medium sized businesses, including lower cost affordable rental opportunities to
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³⁷ Upstream London: The Innovation Borough – Accelerating Inclusive Growth (2024), LBHF

		<p>support creative, media and related sectors and particularly enable start-up and SME businesses to thrive, in summary:</p> <ul style="list-style-type: none"> ○ units to support the development of the existing interior design cluster, including showrooms; ○ a distinctive café with adjacent outdoor dining space; ○ collaborative workspaces; ○ private office and flexible ‘maker’ space offered on flexible rental licences / lease terms in the affordable commercial space; ○ ‘maker’ floorspace and showroom display and sale space; ○ flexibility within the space to create economic sector specific podcast studios; small media production suites and screening space, especially utilising areas of the deeper footprint of the affordable commercial space; ○ video conference and meeting spaces;
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		<ul style="list-style-type: none"> o dedicated, bookable meeting rooms; o education, ceramics studio and art gallery; o community centre spaces capable of various business support and employment generating activities;
Creation of New Employment On Site and Wider In-direct Economic Growth for RBKC and LBHF	<ul style="list-style-type: none"> • London Plan policies: GG5, E1, E2, E6 and E8 • RBKC Local Plan policies: BC1, BC2, BC3 PLV7, SA6 • LBHF Local Plan policies: E1, E2 • RBKC Economic Strategy – Aim to widen access to employment and enterprise • LBHF: Economic Growth for Everyone³⁸ – strategy aim establishing Partnerships and Innovation Hubs – developing a new 	<ul style="list-style-type: none"> • Generating estimated new employment equating to 69 – 489 Full Time Equivalent (FTE) jobs (direct on-site jobs and off-site indirect jobs) post completion of the development • Generating additional economic growth for the Kensington & Chelsea and Hammersmith & Fulham local economies, and for west London more widely through off-site (indirect job creation) and support for an established local economic zone at Lots Road • The various community, ceramics, art and gallery spaces that can be used for events and the flexibility to

³⁸ *Economic Growth for Everyone: An Industrial Strategy for Hammersmith & Fulham* (2017), LBHF

	land development policy to deliver affordable, flexible workspace for STEM, digital, and creative industries	adapt the commercial and affordable commercial spaces to support specific creative, arts, media and cultural makers and producers will be an important source of local employment with a wider, beneficial economic impact for the Lots Road area
Support for Micro, Small and SME Enterprises and for Hybrid Working	<ul style="list-style-type: none"> • London Plan policies: E1, E2, E3, E6 and E8 • RBKC Local Plan policies: BC1, BC2, BC3, TC7 • LBHF Local Plan policies: E1 • LBHF Affordable Workspace SPD including paragraphs 1.7, 5.12 - 5.13 • London Mayor's Economic Development Strategy: section 4.1 • RBKC Live, Work and Learn: Aim - support businesses to thrive 	<ul style="list-style-type: none"> • Potential to offer a broad range of support services and facilities for micro, small and SME businesses, including: <ul style="list-style-type: none"> ○ dedicated workspaces, co-working collaborative spaces, showroom spaces and quiet rooms; ○ high quality showroom units, for the existing interior design cluster and spin off creative industries ○ a ceramics and gallery space adjacent to and occupied by the Heatherley School of Fine Art capable of hosting events

		<ul style="list-style-type: none"> ○ creation of a new SME business cluster as part of the wider existing Lots Road Employment Zone offer (and adjacent Worlds End Studios); and ○ café, internal and external business amenity spaces
Improved Quality and Flexibility of Commercial Floorspace	<ul style="list-style-type: none"> • London Plan policies: E1, E2, E4, E6 and E8 • RBKC Local Plan policies: BC1, BC2, TC7, PLV7, SA6 • LBHF Local Plan policy: E1 • RBKC Lots Road Development Brief SPD • LBHF Affordable Workspace SPD – paragraph 1.7 • London Mayor’s Economic Development Strategy – page 109 	<ul style="list-style-type: none"> • The proposed scheme will create high quality commercially oriented units with a good degree of flexibility and adaptability to reflect changing market and occupier requirements over time. The proposed scheme makes good use of ground floor spaces for commercial and business activities responding to the need to ensure an active, vibrant frontage to Lots Road • The development offers the creation of a far greater potential intensity of employment use and allow business support and educational activities to thrive on the site
Affordable Workspace Provision	<ul style="list-style-type: none"> • London Plan policies: E3 and E8 	<ul style="list-style-type: none"> • The proposed scheme includes 684.3 sq.m (GIA) of affordable commercial workspace (although this is not

	<ul style="list-style-type: none"> • RBKC Local Plan policy: BC3 • LBHF Local Plan policy: E1 • LBHF Affordable Workspace SPD • LBHF Affordable Workspace SPD • London Mayor's Economic Development Strategy – pages 108 and 109 • RBKC Live, Work and Learn: Strategy Action Plan – Supporting Good Growth – Action 42 • LBHF: Economic Growth for Everyone – strategy aim establishing Partnerships and Innovation Hubs – developing a new land development policy to deliver affordable, flexible workspace for STEM, digital, and creative industries • Upstream London: The Innovation Borough White Paper – core pillar Place 	<p>strictly a Development Plan policy requirement given the scale and nature of the proposed development at Lots Road South)</p> <ul style="list-style-type: none"> • The proposed workspace provider / operator has experience in delivering market and sub-market (i.e. discounted cost) commercial accommodation for lease / rent and also in facilitating non-financial business support mechanisms³⁹ that enhance the value for occupiers and end users of locating within the site. The Applicant is keen to ensure that the proposed scheme provides the opportunity for both market and lower-cost affordable floorspace to support local SME businesses in the Lots Road area (consistent with London-wide, RBKC and LBHF economic strategies and objectives)
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³⁹ Such as additional business support activities, networking, events and business skills training for example

	– ensuring affordable, flexible office and laboratory space	
Development of the Wider Business Eco-system	<ul style="list-style-type: none"> • London Plan policy: GG5 • London Growth Plan: Ambition – Inclusion • RBKC Live, Work and Learn: Partnership Working to sustain a vibrant and inclusive economy. Specific Action – Widen Access to Employment and Enterprise; and Support Businesses to Thrive • LBHF: Economic Growth for Everyone – strategy aim establishing Partnerships and Innovation Hubs • Upstream London: The Innovation Borough White Paper: Partnership – building lasting collaborations with organisations at local, national, and international levels to ensure a 	<ul style="list-style-type: none"> • A key element of the Applicant’s strategy and ethos is to support the established local eco-system of interior designers and other creative industries found in and around the Lots Road Employment Zone • The intended Affordable commercial space provider is experienced in delivering and operating serviced and managed workspaces for SME’s

	collaborative approach to economic growth	
Support for Emerging and Growth Sectors	<ul style="list-style-type: none"> • London Plan policies: GG5, E2 and E8 • RBKC Local Plan policies: V2, BC1, BC2, BC3, TC7, PLV7 • LBHF Local Plan policies: E1, E2 • London Growth Plan: identifies key economic growth sectors – finance, professional services, creative industries, frontier innovation (AI, life sciences, green technology), digital technology, tourism and culture • London Mayor’s Economic Development Strategy – page 109 – improved provision for creative workspace for makers and artists • RBKC Live, Work and Learn: identifies a focus on economic sectors such as 	<ul style="list-style-type: none"> • The proposed scheme seeks to provide flexible spaces that would suit a wide range of occupiers including the type of existing businesses that characterise the Lots Road Area currently, including those involved in design and creative industries, media, arts and crafts as well as market facing small-scale, flexible office and ‘maker’ space accommodation • The proposed scheme design includes some larger and deeper footprint flexible commercial workspace areas that provide a good opportunity for creative industries and businesses involved in media, ICT, photographic and video production, podcasting and similar activities where sound-proofing or greater privacy could be offered. The arrangement and layout of the floorspace can therefore help to support growing sectors identified in Development Plan and economic strategies of RBKC and LBHF

	<p>construction, hospitality, retail, health, and creative / digital industries</p> <ul style="list-style-type: none"> • LBHF: Economic Growth for Everyone – focus on economic sectors including: technology, creative industries, STEM, bio-technology, media and culture and leisure / night-time economy • LBHF Upstream London: The Innovation Borough: growth in ‘long cycle’ industries that are anticipated to be important for decades to come. These include life sciences, climate tech, cyber security, AI, fintech, the creative industries, digital, defence tech, TV and film, and other STEM-related sectors 	
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Future Potential On-Site Employment Generation

- 5.33 The future employment potential of the Site can be assessed in terms of its contribution to employment opportunity in the post development phase.
- 5.34 The proposed scheme will have different effects on various sectors of the local economy and supply chain but represents a substantial increase in future on-site and indirect employment opportunity from the existing situation (estimated as currently a total of 42 FTE jobs – see below).

Post Completion: On-Site Direct Employment

- 5.35 The future direct employment potential of the Site in the operational (i.e. completed development) phase is based on a mixture of commercial, studio, café, gallery and community spaces that are intended to accommodate a flexible range of employment generating uses over time.
- 5.36 The proposed floorspaces fall within Use Classes E (a) (b) and (g), F1 (a and b) and F2. For the Class E (a), (b) and (g) space the flexibility to respond to local market requirements over time is encapsulated in an 'up to' parameter sq.m basis (as set out in Table 2.4 previously and described elsewhere in the submitted planning application documentation).
- 5.37 For direct on-site employment generation post completion of the scheme, the following assumptions are made in accordance with the HCA *Employment Densities Guide (3rd Edition)* (November 2015):
- Net Internal Areas (**NIA**) rather than GIA or Gross External Area (**GEA**) are used as the basis for calculating future employment densities for different uses / activities;
 - the total flexible commercial floorspace (including the proposed affordable commercial space) is **1,472** sq.m (NIA);
 - the total Community Centre space is **237.5** sq.m (NIA);
 - the total ceramics studio and art gallery space adjacent to the Heatherley School of Fine Art is **96.8** sq.m (NIA);

- the calculations of on-site employment generation are undertaken using the total Net Internal Area for the relevant commercial spaces across the whole application Site (**1,806.2 sq.m NIA**) taking the RBKC and LBHF administrative areas together as the development would have one overall operational management.
- 5.38 At Section 4, the HCA Guide establishes a density range of **10 – 60 sq.m NIA floorspace per job**⁴⁰ for Mixed B Class⁴¹ ‘small business workspace’⁴² (based on a range of flexible spaces including workspaces, showroom and creative industry type spaces such as studios and galleries).
- 5.39 Estimating on the basis of the Mixed B Class – Small Business Workspace range is appropriate in this case because of the flexibility in the type of commercial and employment generating activities anticipated and sufficient flexibility to continue to accommodate changing working practices as the HCA Guide notes at paragraph 5.5. The range would also encompass other related activities such as showroom display / retail space, or café space too.
- 5.40 The sq.m floorspace per employee range is therefore quite extensive but it offers a good estimation of the likely scale of future on-site employment and is particularly relevant in this case given the flexibility sought in how the commercial space areas could be occupied and used in future.
- 5.41 The potential direct employment generation for the Site could be in the range of **30 – 181 new FTE on-site jobs**⁴³ created based on the assumptions above and using the HCA Guide.
- 5.42 While the range follows the HCA Guide approach, the types of smaller business and flexible creative and showroom space envisaged by this scheme

⁴⁰ HCA Guide, Section 4 – un-numbered table at page 29

⁴¹ The HCA Guide pre-dates the changes to the Use Class Order in 2020 which created the new Use Class E (it retained Use Classes B2 and B8 respectively). The HCA Guide therefore refers to B Class Uses which must now be read across to the appropriate Class E use / activity

⁴² The HCA Guide describes Mixed B Use Class ‘Small Business Workspace’ as including incubator, maker spaces, studios, co-working and managed workspace and gives a floorspace per job density range of 10 – 60 sq.m NIA

⁴³ The low range employment figure would only be realised if all the floorspace was considered to be ‘incubator’ space with high specification areas for specialist equipment / technology or laboratory space which is unlikely to be the case in this application scheme

are suited to supporting a greater intensity of on-site employment activity and therefore it is CCL's view that the higher end of the range (**181 FTE jobs**) is considered to be an appropriate base estimate of future on-site employment generation. This is in the context of the Site's location in the designated Lots Road Employment Zone; the presence of arts, cultural, media and similar businesses in an existing SME cluster; and with regard to the proposed scheme's layout, the quality of new floorspace, and the direct management and operation of the workspaces, studio, showroom and supporting café spaces by an experienced provider / operator.

Post Completion: Indirect Employment

- 5.43 Adopting best practice in the *HCA Additionality Guide, 4th Edition* (2014) allows an estimation of the potential scale of indirect (i.e. off-site supply chain) employment to be identified.
- 5.44 Indirect economic multiplier effects are based on supply linkages (purchases in the supply chain as a result of the development) and income (consumption or induced associated with local expenditure) generated by the completed development. The HCA Additionality Guide sets out the basis for calculating economic multiplier effects in Section 4.5.
- 5.45 The Additionality Guide has ready reckoners (Table 4.14 at page 36) for three levels of composite multiplier effect (low, medium and high levels⁴⁴). With neighbourhood level multipliers from 1.05x (low) – 1.15x (high). Regional multipliers range from 1.3x (low) – 1.7x (high) indirect jobs created for every direct (on-site) job created.
- 5.46 For the purposes of this estimation the range of composite regional multipliers (low to high) is used. This is given the overall scale and nature of the Site's employment generating activity proposals in the context of its location within two boroughs of London with current and significant economic growth ambitions and where there is an existing defined local employment cluster (the Lots Road Employment Zone).

⁴⁴ Table 4.14 of the HCA Additionality Guide (page 36) defines the composite multiplier effects as follows. **Low effect** – limited local supply linkages and induced or income effects; **Medium effect** – average linkages. It states that the majority of interventions will be in this category; **High effect** – strong local supply linkages and income or induced effects

- 5.47 Using these assumptions the indirect off-site employment generated by the proposed scheme post-development is estimated as **39 – 308** additional jobs for the local neighbourhood and the wider regional economy in West London through the economic effects of the proposed scheme by way of increased expenditure with suppliers and consumption through the supply chain.

Total Potential Post Development Employment

- 5.48 The scheme proposals could therefore result in a significant intensification of economic activities and beneficial additional job creation opportunities of:
- **30 – 181** new direct, on-site jobs (with CCL's view that the figure is at the top of this range); and
 - an additional **39 – 308** indirect employment opportunities generated through wider economic multiplier effects.
- 5.49 This would result in a total of direct on-site and indirect employment generation of some **69 – 489 FTE jobs** depending upon the ultimate business users, sectors and occupiers working at the Lots Road South Site.

Comparison of Existing and Proposed Employment Densities

- 5.50 The existing employment on the application site is estimated as currently a total of 42 FTE jobs comprised of:
- 31 FTE jobs at the Access Storage facility including the Fairbank Studios workspace; and
 - 11 FTE jobs within the various temporary space activities (the open storage car pound, salt / grit stores and recycling) based on HCA employment densities for B8 Use Class type uses.
- 5.51 The application scheme proposals for the Site offer a significant contribution to the local and wider economy through new, high quality and fit-for-purpose employment generating floorspace space and activities.
- 5.52 This would support a substantial increase in the level and density of employment available on the Site compared with the existing situation, with up

to +139 additional direct on-site jobs and a further increase of some +14 to +415 indirect off-site jobs⁴⁵ through local and regional economic multipliers.

⁴⁵ Based on an existing indirect job total of 55 – 71 on the site from economic multipliers (1.3 – 1.7x direct existing on-site employment)

6. Affordable Workspace

Introduction

- 6.1 New affordable commercial space totalling 684.3 sqm (GIA) is proposed as a key part of the overall commercial workspace and employment generating land uses / activities at the Site.
- 6.2 This section reviews the existing provision of affordable workspace in the local area around Lots Road. It considers the existing provision in terms of the economic / employment sectors it supports and any significant gaps in provision which the proposed affordable workspace on-site can help meet.
- 6.3 The section starts by defining what affordable workspace means in the local area context and with reference to relevant Development Plan policies in the London Plan and the Local Plans for RBKC and LBHF.

Definitions and Policy Approach to Affordable Workspace

- 6.4 There is no single definition of 'affordable workspace'. The relevant Development Plan policies do however offer some specific emphasis and direction for determining how workspace should be defined as 'affordable' and the flexibility / adaptability of this over time.

London Plan Affordable Workspace Definition

- 6.5 The *London Plan* (2021), **Policy E3 (Affordable Workspace)** and its supporting justification text defines it at paragraph 6.3.2 as follows:

*"Affordable workspace is defined here as workspace that is provided at **rents maintained below the market rate** for that space **for a specific social, cultural, or economic development purpose**. It can be provided and/or managed directly by a dedicated workspace provider, a public, private, charitable or other supporting body; through grant and management arrangements (for example through land trusts); and/or*

secured in perpetuity or for a period of at least 15 years by planning or other agreements”.

6.6 The London Plan supports different organisations to provide and manage affordable workspace and that this should be secured in perpetuity or for a period of at least fifteen years via planning or other legal agreements. The approach is intended to offer good flexibility for local circumstances.

6.7 **Policy E3** (bullet A) establishes that rents are to be maintained below the market rate for specific purposes such as (i.e. not an exhaustive list):

“1) for specific sectors that have social value such as charities, voluntary and community organisations or social enterprises;

2) for specific sectors that have cultural value such as creative and artists’ workspace, rehearsal and performance space and makerspace;

3) for disadvantaged groups starting up in any sector;

4) supporting educational outcomes through connections to schools, colleges or higher education; and

5) Supporting start-up and early stage businesses or regeneration”.

6.8 The Plan continues at paragraph 6.3.3 setting out that affordable workspace may have an education or skills development focus:

*“Affordable workspace may **help support educational outcomes**, for example by businesses providing apprenticeships and work experience, offering mentoring by entrepreneurs and/or providing space for further and higher education leavers to develop academic work into businesses. It may also be linked with business support and skills training”.*

6.9 In addition, paragraph 6.3.4 of the London Plan explains that the Mayor:

*“wishes to support sectors that have **cultural or social value** such as artists, designer-makers, charities, voluntary and community organisations and social enterprises for which low-cost space can be important”.*

6.10 The London Plan Policy approach to securing affordable workspace has therefore:

- a) a definition that rents are maintained below the market rate for that space for a specific social, cultural or economic development purpose;
- b) a good degree of flexibility to reflect local circumstances within individual boroughs;
- c) an expectation that borough Development Plans will define affordable workspace policies in light of local evidence of need and viability (Policy E3, bullet C);
- d) provision for a wide range of organisations to manage and operate affordable workspace again suiting local circumstances; and
- e) an expectation that affordable workspace will be provided for the longer term, in perpetuity, or for at least a fifteen year time period.

RBKC New Local Plan – Affordable Workspace Definition

- 6.11 The RBKC *New Local Plan Review* (July 2024) includes provision for supporting the delivery of affordable workspace at **Policy BC3 (Affordable Workspace)**.
- 6.12 Paragraph 8.33 explains that RBKC uses the London Plan definition of affordable workspace as set out in Policy E3 (see above).
- 6.13 The same paragraph establishes that:
- “Affordable workspace is considered to be new-build employment floorspace provided at rents maintained below the market rates for that space for a specific social, cultural or economic development purpose. The Council expects this workspace to be operated and managed by a specialist workspace provider or by the developer itself, as approved by the Council. The discount required is that to the specialist provider and not to the end user, although it may be that a reduction in rent may be part of the offer provided by the specialist provider”.*
- 6.14 RBKC’s definition of affordable workspace therefore expands on the London Plan as the Council is clear that the workspace is to be operated and managed by a specialist provider or the developer as approved by the Council (i.e. a pre-approved list of operators is maintained).

6.15 The Plan also explains that the **discount to market rent is offered to the specialist provider** (presumably on the basis that they have the superior leasehold of the premises / floorspace and then offer individual rents or licences to end occupiers). Indeed, paragraph 8.33 confirms that a reduction in rent **may be** part of the offer provided by the specialist provider, but equally it **may choose not to do so** (or offer different levels of sub-market rent to different end users) and may assist individual end users / occupiers in other ways such as through rent free periods, easy in-out rental or licence terms or with respect to other services and facilities provided within the agreed rental (such as on-site training, networking spaces, or business community social value support for example).

6.16 Local Plan Policy BC3, bullet B establishes that, outside of the designated Opportunity Areas, new developments that provide an uplift of more than 5,000 sq.m (GIA) of Class E(g) business floorspace must provide affordable workspace equating to 10% of the total additional floorspace.

6.17 Paragraph 8.36 explains that the Council will only require the provision of affordable workspace for proposals on such large sites where additional Class E(g) business floor space is being provided so that the affordable workspace will:

“be of a scale that can successfully operate in its own right. Given the paucity of sites of this type, this space must be provided in kind and on site”.

6.18 With respect to Policy BC3, the Lots Road South application site would not be required to provide affordable workspace as it is not within a defined Opportunity Area and the proposed scheme falls below the minimum size threshold criteria (5,000 sq.m GIA) of Class E(g) business floorspace.

6.19 Drawing this together, in RBKC, affordable workspace is:

- a) defined in accordance with the London Plan Policy E3 definition;
- b) required only on large scale new Class E(g) employment schemes greater than 5,000 sq.m GIA outside of Opportunity Areas;
- c) to be provided on site where it is required to be delivered; and

- d) to be delivered and operated / managed by an appropriate specialist provider or developer who are suitably accredited and approved by the Council.

LBHF Definition of Affordable Workspace

- 6.20 Turning to LBHF, the *Hammersmith and Fulham Local Plan* (2018), Policy E1 (Providing for a Range of Employment Uses) supports the provision of flexible and affordable space suitable for SMEs to be delivered in large new business developments.
- 6.21 Paragraph 7.2 of the Local Plan explains the context for the delivery of affordable workspace in the borough:
- “it is important that new and refurbished business developments as well as mixed use schemes provide accommodation that can meet the needs of a variety of activities, including start up businesses; are flexibly designed to meet a variety of types and sizes of businesses, and adaptable to changes in working practices in the future, and the provision of affordable business units”.*
- 6.22 LBHF’s definition of affordable workspace is then set out in paragraphs 7.4 and 7.5 of the Plan, with an expectation that affordable workspace will be provided through flexible leasing arrangements, cross-subsidised rent secured by S106 agreements, reduced rent arrangements and the through the creation of co-working hubs and start-up space subject to viability. Developers are expected to engage with workspace provides to manage the space and / or identify the future occupants of the space.
- 6.23 To provide more detail, LBHF published an *Affordable Workspace SPD* (October 2022) to expand on the approach laid out generally in Policy E1 and the Local Plan’s supporting text and provide greater definition and direction for the affordable workspace policy objectives.
- 6.24 The SPD notes that there is no single definition of affordable workspace. It refers to the London Plan’s general definition and highlights that local authorities are left to interpret and determine what ‘affordable workspace’ means in the context of their particular borough.

6.25 For LBHF, the SPD indicates there are alternative approaches to secure a range of affordable/flexible typologies to meet local needs; i.e. it has a flexible definition of 'affordable' workspace. In paragraph 3.2 it confirms:

"the term 'workspace' covers a broad range of different typologies, from conventional office and industrial space to more niche shared spaces, including artist studios, maker spaces, labs and co-working spaces".

6.26 At paragraph 4.4 the SPD explains that there are four priority economic sectors for affordable workspace in the borough:

- Creative and digital;
- Financial and professional;
- Life sciences; and
- Manufacturing.

6.27 It also highlights that there are particular locations where viability assessment⁴⁶ has shown that affordable workspace can be delivered for workspace developments of 1,000 sq.m (GIA) or larger. It is noted that the Lots Road South site does not fall into any of the specific locations, namely:

- Shepherd's Bush (mixed-use commercial);
- Hammersmith Town Centre (mixed-use commercial);
- Fulham Centre (mixed-use commercial);
- Olympia and West Brompton (mixed-use commercial); and
- Townmead and Imperial (industrial).

6.28 Alternative measures (i.e. not just providing floorspace at discounted rents to the local market as per Policy E3 of the London Plan) can be used to support affordable and flexible workspace accommodation. Paragraphs 5.12 and 5.13 and Appendix C (Table C1) of the SPD define a range of opportunities, including:

⁴⁶ *Affordable Workspace Study: Viability Review for LB Hammersmith & Fulham, Turley* (October 2021)

- a proportion of desks in an open workspace (hot desking) area to be provided at a substantial discount to market value;
- discounts to 'membership models' (such as virtual offices, fixed and hot desks and small offices);
- discounted desk costs within a larger office space; and
- rent free periods or completion of Fit-out of new space to Category A standard to ensure occupiers costs are covered.

6.29 Similar to the London Plan and RBKC policy, timescales for the duration of affordable workspace are to be in perpetuity (or until there is no longer a need identified in a future Local Plan review); and that implementation of affordable workspace is on-site unless there are exceptional circumstances and delivered through accredited specialist providers or operators or leased directly to an end user on the Council's approved businesses list.

6.30 Overall, for LBHF:

- a) there is extant Local Plan policy and SPD guidance that defines affordable workspace generally in accordance with the London Plan;
- b) there are alternative mechanisms to support affordability of workspaces other than simply via a below market rent offer;
- c) there are four priority economic sectors that would benefit from affordable workspace provision in Hammersmith and Fulham; and there are defined priority locations where new business floorspace >1,000 sq.m could viably provide affordable workspace;
- d) affordable workspace is anticipated to be on-site, in perpetuity, secured by appropriate planning / legal agreement; and operated and managed by appropriate specialist providers.

Defining Typologies of Affordable Floorspace

6.31 The application scheme includes a flexibly designed affordable workspace area contained within a single space at the ground floor of the scheme that is capable of subdivision to suit a range of occupiers. The Affordable workspace

entrance on Lots Road is highly visible and it also has a secondary entrance and frontage on the western route.

6.32 The affordable commercial space could provide:

- serviced space that includes a central managed arrangement of floorspace and common areas with substantial flexibility to accommodate start-up, micro and other incubator space for new businesses;
- co-working and hot-desking type space for post-covid working patterns (part home and part office based work patterns);
- hybrid space – mixing individual hot desks, co-working and flexible and scalable collaborative commercial and showroom space;
- maker space – focused on light industrial type activities with space for both production (making), storage and office administrative functions;
- creative media space – space suitable for businesses in the TMT and creative industries including appropriate drop-in production facilities, pod cast and video / film content creative spaces.

Provision of Affordable Workspace

Existing Local Provision

- 6.33 With respect to the various definitions of affordable workspace secured by way of legal agreement in perpetuity as set out above, CCL has reviewed the existing provision of such workspace in the Lots Road area.
- 6.34 CCL's analysis of the various workspaces and market provision set out in Section 4 previously has examined the range of provision and the current availability trends including with regard to rental / lease pricing.
- 6.35 There is some evidence of individual landlords offering small discounts to the average achieved market rents and local agents report the possibility of extended rent free periods for new lettings, or other non-financial incentives such as business support or easy in / easy out rental terms. There is however little evidence of any existing workspaces being offered as genuinely affordable workspace that falls within the relevant planning policy definitions or which is secured by way of legal agreement in perpetuity.

- 6.36 In this context, CCL is aware of RBKC ‘affordable’ co-working space provision at three existing libraries in the Borough through the K+C Co-works initiative with hot desks and fixed desks available for individuals and groups/teams. The pricing of the offer is identified online with a 50% discount offered off the first month for a fixed desk option. This example is highlighted as one of the few ‘affordable’ options identified by CCL but equally it represents a Council initiative which sits outside of the planning policy definitions discussed above.
- 6.37 In addition, CCL is aware that LBHF have a published Accredited Affordable Workspace Provider List which is intended to guide developers making an application in the Borough to consider the kind of workspace provider who can operate ‘affordable’ workspace. CCL have reviewed the list which includes private sector organisations active in the study area (some identified in Section 4) and which may well be marketed as affordable but do not necessarily constitute affordable in accordance with relevant planning policy.
- 6.38 The lack of clear evidence of the extent of true affordable workspace is not entirely unsurprising given many of the existing commercial premises and floorspace has been available or ‘in the market’ for many years and almost certainly consented and constructed prior to the implementation of affordable workspace planning policies in the relevant Development Plans. Those policies are also fairly narrowly defined in terms of the thresholds for securing affordable workspace provision being aimed towards larger 1,000 or 5,000 sq.m (GIA) new commercial spaces.
- 6.39 In simple terms, most of the existing commercial floorspace in the local Lots Road area was developed prior to affordable workspace policies coming in to force and was not at a scale of new floorspace where the policy thresholds would be triggered in any event.
- 6.40 Indeed, the most recent RBKC Annual Monitoring Report (2024) (see Section 4 of this report previously) noted that Policy BC3 (Affordable Workspace) had not long come into operational effect when the New Local Plan Review was adopted and that the policy had only been used in relation to the proposed re-

development application for 45, Notting Hill Gate (Newcombe House) scheme which included >5,000 sq.m GIA of new commercial floorspace⁴⁷.

Application Scheme Affordable Workspace Provision

- 6.41 The Lots Road South application scheme includes provision for **684.3 sq.m** (GIA) of new, ground floor level affordable commercial space to be created on-site, secured and managed in accordance with an Affordable Commercial Space Strategy, which will be secured via condition. The affordable commercial space proposed equates to 41% of the total E Use Class commercial space and shall be let at 80% of market rent.
- 6.42 The area around Lots Road is not characterised by high rental levels relative to other parts of RBKC and LBHF. By providing 41% of the space at a 20% discount to prevailing market rents, the scheme can provide a critical mass of floorspace at affordable levels, supporting the creation of a local cluster of businesses that would benefit from this offer.
- 6.43 Although the application scheme's total commercial space provision falls below the thresholds for the requirement to provide affordable workspace in the Development Plan policies, the Applicant considers it to be a critical element of the overall flexible commercial workspace offer and this is a significant public benefit of the proposed scheme.
- 6.44 Indeed, the affordable commercial space to be provided represents a significant positive opportunity and contribution to fill an evident gap in the local commercial market for genuine affordable commercial space that is suitable for a range of relevant smaller businesses and sectors and particularly supports start-up and grow-on occupiers and employers in creative and media related sectors. This is reflective of the Lots Road Employment Zone character and composition and accords with the overall policy vision for the area as well as the thrust of the economic strategies for both LBHF and RBKC.

⁴⁷ In that instance, RBKC had decided that Policy BC3 would not be applied to the proposed scheme's determination as all the application determination and pre-application work on it had been undertaken before the new Local Plan was adopted

7. Conclusions

Introduction

- 7.1 This final section brings together the analysis and findings from the preceding sections. Emerging themes and conclusions are set out below with respect to the market demand and supply characteristics and the potential commercial and employment land contribution for the Lots Road South site.

Revealed Market Demand and Supply Characteristics

- 7.2 Drawing the analyses from Sections 4 and 5 of the report together including the quantitative trend information and qualitative details provided from local commercial property market agents active in RBKC, LBHF and the Lots Road area, the report found the following:
- a) the UK economy and Greater London in particular, has experienced significant change over the last 30 years in terms of both economic structure and economic growth, with an increasing focus on high-value-added, high-level productivity and flexible working. In more recent years, the commercial property market can be best described by a weaker and cautious market sentiment which is expected to continue in view of an economic outlook which is increasingly characterised by growing uncertainty driven by global geopolitical issues;
 - b) there are new economic factors that have become evident and served to alter the demand dynamics for employment floorspace demand (for all types of employment floorspace – office, light / general industrial, and logistics and warehousing). Central to this changing and constantly evolving dynamic has been the future role of the workplace flowing from increased hybrid working and work from home models; occupier requirements for flexibility of lease, unit size and adaptable floorspace; collaborative and technology enabled environments, and distinctive workspaces with facilities;

- c) wider national trends of an ongoing 'flight to quality' are impacting on the local industrial and office markets with secondary and tertiary quality space increasingly unsuited to occupier requirements and new models of work seeking healthy working environments, energy efficiency, and sustainable and collaborative space. This focus on quality of workspace from a social, environmental and economic dimension has become a significant consideration for many occupiers and is evident across the RBKC, LBHF and wider West London markets;
- d) local market signals indicate a trend from office occupiers for fitted space and managed space, which is supported by the nature of existing provision and availability in Lots Road and the surrounding area. There is a good range and choice of identified office and studio space, many occupied and typically dominated by small offices operated as serviced offices but also an element of managed and co-working space. There is evidence of significant office availability within 1 mile of the site, although availability of best in class, adaptable, small format spaces locally is lower, indicating demand and occupancy, orientated towards businesses in the creative industries. The emerging scheme responds to the characteristics of the local market with the provision of new, high quality flexible commercial floorspace;
- e) by contrast, there is limited commercial industrial (light and general / mixed industrial uses (Class E (g)(iii), B2 and B8)) provision, either individually or within clusters, in the study area (and concentrated in the LBHF area). Further afield there are areas of industrial stock at larger established industrial locations identified in the borough's ELS and the Local Plan, all in close proximity to the strategic road network. There are no London Plan designated Strategic Industrial Land areas surrounding the Lots Road South Site although the Site in itself forms part of the RBKC Local Plan's designated Lots Road Employment Zone, which is identified as a Locally Significant Industrial Site;
- f) whilst the local commercial market is orientated towards smaller footprint office accommodation serving a wide variety of requirements, there is evidence of potential for further workspace to support demand from the creative industries, especially if provided as affordable. The current proposal includes an element of education / cultural space in the form of an

art gallery and ceramic studio which is intended to be occupied by the Heatherley School of Fine Art. The potential also exists, for an element of commercial space to accommodate the auction house which was formerly at the Site, albeit trading through a newer, small format business model. In addition, local market evidence indicates good levels of interest in flexible and affordable space orientated towards creative industries, especially in the design, interior design and crafts sub-markets;

- g) with respect to the supply of employment land and floorspace, the RBKC published AMR and the ELS found a strong existing and future level of pipeline employment supply (particularly for office space) to meet future needs set out in the ELS and the Local Plan. A similar situation is evident from the LBHF plan and AMR evidence (albeit based on more dated information); and
- h) overall, the Lots Road area operates as a vibrant and diverse showroom / office / studio location with the current proposal offering a range and flexibility of commercial spaces capable of meeting modern occupier needs and strengthening the local floorspace offer available to the business community.

Future Potential Employment Generation

- 7.3 Turning to the Site's future employment potential, Section 5 assessed the scheme's proposals and concluded that the development will result in a significant intensification of economic activities across the whole Site.
- 7.4 A range and mix of good job opportunities and beneficial additional job creation would result, post development, totalling some **69 – 489** FTE jobs depending upon the ultimate business users, sectors and occupiers working at the Lots Road South Site.
- 7.5 This total is comprised of:
 - **30 – 181** new direct, on-site jobs (with CCL's view that the figure is at the top of this range); and
 - an additional **39 – 308** indirect employment opportunities generated through wider economic multiplier effects.

- 7.6 This would support a substantial increase in the level and density of employment of the Site compared with the existing situation, with up to +139 additional direct on-site jobs and a further increase of some +14 to +415 indirect off-site jobs.

Alignment and Contribution to Employment Land and Economic Development Objectives

- 7.7 The application scheme proposals have been reviewed in relation to the relevant employment land planning policies and economic strategies for RBKC, LBHF and London.
- 7.8 The proposals for the Lots Road South site are consistent with the relevant Development Plan employment use policies. The scheme offers a positive and proactive approach to making optimal use of the Site to meet the RBKC, LBHF and London Mayor's employment and economic development objectives.
- 7.9 The overall quantum of commercial floorspace set out in the application scheme proposals may be lower than that anticipated in the RBKC New Local Plan Review Site Allocation SA6 policy, however the scheme represents a **major positive contribution in quantitative and qualitative terms to supporting high quality employment-generating uses and delivering modern floorspace** on the site. The proposals are a reflection of three key issues:
- the physical attributes and context of the Lots Road South site itself which places some significant limitations on the ability to support extended or deep footprint commercial floorspace and also deliver the other key design principles laid out in Site Allocation Policy SA6 and the Lots Road Design Brief SPD;
 - the realities of revealed market demand for smaller, managed, flexible units and floorspace for interior design, arts, creative and media related sectors and associated businesses, and in the situation where there is both an existing level of available office and creative workspace supply elsewhere in the immediate and wider areas, and further large-footprint

space planned or committed already (according to the two boroughs most recent employment land studies and AMR data); and

- the ability of the new flexible commercial spaces, including the affordable workspace provision to offer a much higher intensity and density of employment use across the Site (and a greater level of indirect supply chain employment) post-development than in the existing situation now. Put simply, new, high quality and flexible workspaces will support a greater range and mix of jobs than are evident on site currently.

7.10 The existing employment floorspace and the various storage and distribution uses, including the use of external areas represent a significant under-utilisation of the Site area (both within RBKC and LBHF administrative areas) which offers relatively low levels or range and choice of employment opportunity (it is estimated that the existing site supports a total of circa 42 FTE jobs).

7.11 Comprehensive re-development is supported by the relevant Development Policies, including the Site Allocation Policy SA6. This is necessary to create modern commercial workspaces and related community floorspace that is aligned with market demand and occupier expectations. This is particularly important for Lots Road South and for RBKC and LBHF more widely in the context of:

- a) revealed occupier demand and supply of appropriate space for SME businesses to cluster in the area;
- b) the defined Lots Road Employment Zone area (Policy PLV7) and its specific objectives to drive forward appropriate arts, cultural and related business sectors within the Lots Road area;
- c) wider demand in RBKC and LBHF boroughs, for high quality, modern and flexible workspaces (including affordable workspaces) in accessible locations and established business environments.

7.12 The evident demand in the Lots Road area is for flexible commercial space to be made available through a mix of smaller office and studio accommodation or as showroom space to support the existing interior design cluster and other local creative industries, including arts, creative studios and similar design businesses, provided as part of a mixed-use residential development that can

be viably delivered in the context of the local commercial market and the physical characteristics of the Site.

7.13 Overall, the application scheme is consistent with the relevant Development Plan policies, including support for:

- a) creating flexible workspaces, studio and showroom commercial floorspace capacity and choice within the RBKC Lots Road Employment Zone as part of a mixed-use development (as set out in Section 5). It would be able to provide a significant quantum of new, useable, floorspace as well as a substantial enhancement of the quality and variety of the office and collaborative floorspace offer found locally in the Lots Road area. This would be in accordance with policies E1, E2, E6 and E8 of the London Plan and consistent with the objectives of policies BC1, BC2, PLV7 and SA6 of the RBKC New Local Plan Review. It is also consistent with the objectives of policies E1 and E2 of the LBHF Local Plan;
- b) protecting provision of employment generating Use Class E activities on the application site as the proposed scheme offers a range of flexible floorspace sizes and a diversity of types of spaces across the ground floor level, including affordable commercial space, fit for the needs of small and medium sized enterprises (as highlighted in local market commentary at Section 4). This includes scalable, flexible commercial accommodation, ceramics studio and showroom space. The scheme ensures that the commercial floorspace is fit for purpose in accordance with policies E2, E6 and E8 of the London Plan, Policy BC1 of the RBKC New Local Plan Review and with policies E1 and E2 of the LBHF Local Plan in this respect;
- c) providing flexibility for employment opportunities across a diverse range of relevant sectors and assisting in the evolution of business sectors by ensuring the availability of suitable and affordable commercial spaces (as set out in Section 6). The proposals will proactively address the need to provide for a diverse range of existing and growing sectors in LBHF and RBKC and within the Lots Road Employment Zone area specifically in accordance with Policies E3, E6 and E8 of the London Plan, BC3 of the RBKC New Local Plan Review and Policy E1 of the LBHF Local Plan. The proposals support helping meet the needs of relevant priority economic sectors identified in the London-wide and individual borough economic

strategies (as assessed in Section 5). Market analysis shows that the most appropriate commercial space offer for the Site is a flexible Class E (a), (b) and (g) format that can cater for those type of businesses that currently occupy the ground floor of the existing Lots Road South site (and in neighbouring Worlds End Studios for example) with the adaptability of the space provided to allow for amalgamation to support showroom format spaces for larger businesses, and a future potential return of the Lots Road auction house in a smaller footprint format within the proposed commercial space area; and

- d) the characteristics of the scheme design will also allow the re-development of Lots Road South to support the objectives of RBKC New Local Plan Review Policy PLV7 which establishes a vision for the Lots Road Employment Zone including provision of improved and additional workspaces, showrooms and facilities aimed at innovative and creative small and medium sized businesses and fostering an eclectic mix.

Overall Conclusions

- 7.14 The application scheme for Lots Road South approaches regeneration of the Site through the creation of a mixed residential and commercial development.
- 7.15 Flexible ground floor commercial accommodation, showroom and similar workspaces, including affordable commercial space, alongside gallery and community spaces will make optimal beneficial use of the Site to provide significant, high quality, new, fit-for-purpose, flexible ground-floor level commercial accommodation capable of effectively responding to changing occupier demand and employment opportunities over time.
- 7.16 The proposals, although offering a smaller quantum of commercial employment generating space than envisaged in the RBKC site allocation policy SA7, are nevertheless strongly aligned with evident market demand and supply dynamics within the Lots Road Employment Zone area which has a well-established and diverse commercial nature.
- 7.17 The approach to commercial workspace taken is therefore supportive of the future economic role and function of the Lots Road Employment Zone in RBKC and of LBHF's employment land objectives in Policy E1; supportive of the

sensitive current and previous role and functions of the Site; and represents a realistic, market facing commercial enhancement and significant employment growth benefit over the current situation.

- 7.18 The scheme's potential contributions to high quality employment and flexible commercial floorspace are consistent with relevant Development Plan employment use policies including E1, E2, E3, E6 and E8 of the London Plan; policies V2, BC1, BC2, BC3, PLV7, TC7 and SA6 of the RBKC New Local Plan; and policies E1 and E2 of the LBHF Local Plan.
- 7.19 The application scheme offers a positive and proactive approach to making optimal use of the Site to meet the Royal Borough of Kensington and Chelsea, London Borough of Hammersmith and Fulham and the wider London Mayor's employment planning and economic growth objectives.

APPENDICES

Appendix A1: Relevant Employment Land Planning Policies

Development Plan Policies

London Plan

- A1 Policies in the adopted London Plan (March 2021) concerned with economic development and land for business and employment are relevant and are summarised below.
- A2 **Policy GG5 (Growing a Good Economy)** sets out relevant overarching objectives including to promote the strength and potential of London; to ensure the economy diversifies and that the benefits are shared more equitably; plan for sufficient employment and industrial space in the right locations to support economic development and success.
- A3 Chapter 6 (Economy) deals with the economic development and employment land in more detail.
- A4 **Policy E1 (Offices)** is concerned with ensuring improvements to the quality, flexibility and adaptability of office space of different sizes. It supports increases in the current stock of offices in specific locations including the Central Activity Zone (CAZ), Northern Isle of Dogs and areas such as Tech City and Kensington & Chelsea. Diverse office markets in inner and outer London should be consolidated and extended where viable focusing new development in town centres and other existing office clusters such as Croydon Town Centre, Chiswick Park, Stockley Park and Bedfont Lakes as well as providing locally-oriented town centre office provision to meet local needs. The Policy also supports restriction of permitted development rights (supported by Article 4 Directions) and assessing the scope for re-use of surplus large office space for smaller units. Redevelopment, intensification and change of use of surplus office space to other uses including housing is supported.
- A5 Paragraph 6.1.3 notes that the CAZ boroughs and some parts of inner London will continue to see growth in office employment and development of new office floorspace, driven by agglomeration economies, high value-added activities

and viability of new space. There is broadly sufficient capacity to accommodate this demand.

- A6 Paragraph 6.1.5 notes the importance of ensuring there is sufficient space to support the growth of new start-up companies and to accommodate SMEs including the provision of lower-cost and affordable business space.
- A7 Paragraph 6.17 highlights that surplus office space where there is no reasonable prospect of these being used for business purposes should be supported by evidence that includes strategic and local assessments of demand and supply and evidence of vacancy and marketing (for at least 12 months or greater if required by Borough Development Plans) to inform viability assessments.
- A8 **Policy E2 (Providing Suitable Business Space)** identifies the need, where appropriate, for protection of a range of B Use Class business space (in the London Plan the Use Classes are described as pre the 2020 changes to the Use Classes Order which consolidated Class B1 within a new wider Class E along with retail and various commercial activities) in terms of type, use and size at appropriate rents to meet the needs of micro, small and medium-sized enterprises. B Use Class floorspace should ensure that the space is fit for purpose.
- A9 The Policy resists the loss of B Class space in areas identified in a local Development Plan where there is a shortage of lower-cost space or workspace of particular types, uses or sizes. In such cases it should be demonstrated that there is no reasonable prospect of the site being used for business purposes or ensure that there is an equivalent amount of B Class space re-provided.
- A10 The Policy also requires that for new business floorspace greater than 2,500 sq.m (Gross External Area) there should be consideration of the scope to provide a proportion of flexible workspace or smaller units suitable for micro, small and medium-sized enterprises.
- A11 **Policy E3 (Affordable Workspace)** establishes (Bullet A) that in defined circumstances, planning obligations may be used to secure Affordable Workspace (in the B Use Class) at rents maintained below the market rate for

that space for a specific social, cultural or economic development purpose such as:

- “1) for specific sectors that have social value such as charities, voluntary and community organisations or social enterprises;*
- 2) for specific sectors that have cultural value such as creative and artists’ workspace, rehearsal and performance space and makerspace;*
- 3) for disadvantaged groups starting up in any sector;*
- 4) supporting educational outcomes through connections to schools, colleges or higher education; and*
- 5) Supporting start-up and early stage businesses or regeneration”.*

A12 Policy E3 (bullet B) states that consideration should be given to the need for affordable workspace for the purposes above where:

- “1) where there is affordable workspace on-site currently, or has been at any time since 1 December 2017, except where it is demonstrated that the affordable workspace has been provided on a temporary basis pending redevelopment of the site*
- 2) in areas identified in a local Development Plan Document where cost pressures could lead to the loss of affordable or low-cost workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones)*
- 3) in locations identified in a local Development Plan Document where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area”.*

A13 Bullet E of the Policy states that leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents, meeting the objectives in Part A, over the long-term.

A14 **Policy E4 (Land for Industry, Logistics and Services to Support London’s Economic Function)** seeks to ensure a sufficient supply of land and premises to meet current and future demands for industrial and related functions taking account of strategic and local employment land reviews, industrial land audits

and potential for intensification, co-location and substitution (see Policy E7). The policy covers a range of commercial space and sites including B1c, B2 and B8 Use Classes.

- A15 The policy continues the division of industrial land into Strategic Industrial Land (**SIL**), Locally Significant Industrial Sites (**LSIS**) and Non-Designated Industrial Sites (**NDIS**) for which policies E5 – E7 apply respectively.
- A16 Bullet C of the policy identifies that industrial capacity across the three categories should be planned, monitored and managed through the processes of industrial intensification, co-location and substitution set out in Policy E7 and supported by Policy E5 concerned with SIL
- A17 The Policy states at bullet E that release of industrial capacity should be focused in locations that are well-connected by public transport, walking and cycling and contribute to other planning priorities including housing.
- A18 **Policy E6 (Locally Significant Industrial Sites)** focuses on Locally Significant Industrial Sites (LSIS) and aims to safeguard their industrial function while allowing for a variety of industrial and related uses, including those suitable for small and medium-sized enterprises (SMEs). It also encourages the intensification of industrial uses and co-location with other compatible uses, like residential, where appropriate under Bullet 2.
- A19 **Policy E7 (Industrial Intensification, Co-Location and Substitution)** is relevant when considering change of use and potential loss or changes to existing industrial capacity.
- A20 Bullet A of this policy states that development proposals should be proactive and encourage the intensification of business uses (B1c, 2 and B8) on all categories of industrial land through: the introduction of small units; development of multi-storey schemes; addition of basements; more efficient use of land through higher plot ratios and mitigating impacts on the transport network where necessary.
- A21 Policy E7 at Bullet C supports mixed-use or residential development proposals in NDIS locations subject to criteria including in situations where (sub-point 2) it has been allocated or residential or mixed use development in a Local Development Plan Document.

A22 Policy E7 at Bullet D then provides further requirements for residential or mixed use development including, inter alia, ensuring industrial or related activities on-site or in surrounding parts of the SIL, LSIS or NDIS are not compromised in terms of their continued efficient function, access, service arrangements or hours of operation; intensification is completed in advance of residential components being occupied; appropriate design mitigations are provided.

A23 **Policy E8 (Sector Growth Opportunities and Clusters)** is relevant in this case. It seeks to support employment opportunities across a diverse range of sectors and assist the evolution of sectors by ensuring the availability of suitable workspaces, including (of most relevance in this case):

“1) start-up, incubation and accelerator space for micro, small and medium-sized enterprises;

2) flexible workspace such as co-working space and serviced offices;

3) conventional space for expanding businesses to grow or move on; and

5) affordable workspace in defined circumstances (see Policy E3 Affordable workspace)”.

A24 Paragraph 6.8.2 explains that the London Plan supports the Mayor’s Economic Development Strategy to ensure that the varied innovation and workspace requirements of London’s businesses are met. This includes the retention and provision of flexible and other forms of workspace to support start-up, existing and growing SMEs. Incubator, accelerator and co-working spaces are also highlighted as providing support and collaboration opportunities for fledgling and growing businesses.

RB Kensington and Chelsea Borough Local Plan (July 2024)

A25 The adopted *Royal Borough of Kensington & Chelsea New Local Plan* (24th July 2024) includes policies for business and employment uses.

A26 **Policy V2 (Our Spatial Strategy)** sets out that the Council will support good growth in the borough linked to its spatial strategy that includes ‘Areas with Potential for Some Change’, notably the three designated Employment Zones (including Lots Road Employment Zone) which are outlined in **Figure 1.4 (Key Diagram)**.

- A27 **Policy BC1 (Business Uses)** seeks to ensure that there is a range of business premises in the borough and protects existing offices and industrial / warehousing from loss subject to various criteria. New offices are to be within Town Centres or Employment Zones (although smaller office spaces are to be permitted anywhere in the borough) and industrial and storage activities are to be located within Employment Zones, Opportunity Areas and where it can be demonstrated that residential living conditions are not harmed. The Policy promotes the designated Employment Zones as centres of innovation, locations for large and small businesses and workshops and places for other town centre uses where such uses contribute to the vitality of the zone and wider area. For Lots Road, the Policy supports the creation of residential floorspace where the existing commercial floorspace is retained or re-provided and where its quality is improved.
- A28 **Policy BC2 (Creative and Cultural Businesses)** promotes and protects the workspaces needed to support creative and cultural industries across the borough.
- A29 **Policy BC3 (Affordable Workspace)** (Bullet A) requires the provision of affordable workspace for all new developments (outside of the designated Opportunity Areas) that provide an uplift of more than 5,000 sq.m of Class E(g) business floorspace. Affordable workspace must equate to a minimum of 10% of the additional floorspace (measured in terms of GIA). The Policy (at Bullet B) defines 'affordable' depending on the location of the Site (related to Opportunity Areas and specific CIL charging zones) and with respect to the prevailing market rate; it is stated at paragraph 8.33 that the Policy accords with the London Plan definition of affordable workspace (Policy E3 of the London Plan). New affordable workspace must be provided on site (Bullet C).
- A30 For Lots Road South, Bullet B(2) may be relevant in certain circumstances (where for example a scheme proposed >5,000 sq.m GIA of new Class E(g) commercial floorspace on site), in terms of the location of the site and the approach to affordable workspace. This states that, for qualifying schemes (i.e. >5,000 sq.m GIA of commercial Class E(g) floorspace), affordable workspace must be provided at a capped rate of 50% less than the prevailing market rate for comparable premises in perpetuity.

A31 **Policy PLV7 (Lots Road Employment Zone)** to provide improved and additional workspaces and facilities for innovative and creative small and medium sized businesses with a focus on art, architecture, antiques and interior design. Complementary land use contributing to the eclectic mix and character of the area will be incorporated. Figure 2.7 provides a diagrammatic illustration of the Lots Road Employment Zone. It shows the extent of the Employment Zone and the specific Site Allocations (including site Allocation Policy SA6 – see below).

A32 Paragraph 2.49 explains the Council, as landowner:

“is working to comprehensively redevelop its Lots Road South site, on the western side of Lots Road. The site, which straddles the boundary with LBHF, is currently home to the Council’s car depot, salt store and street sweeping storage, as well as commercial floorspace. This redevelopment provides an opportunity to create additional, more modern commercial space to the Employment Zone, as well as co-locating residential uses to optimise the site with a vibrant mix of uses”.

A33 **Policy SA6 (Lots Road South)** states at Bullet A that the site will deliver a high quality mixed use development to include residential and employment floorspace. Bullets B – D state that there is to be ‘around’ 100 new gross residential units (C3 Use Class); 65 gross affordable extra care units; and ‘around’ 4,000 sq.m (GIA) of commercial floorspace (Class E and B8) of which at least 3,000 sq.m is to be business floorspace Class E(g) office, research and development or light industrial or Class B8 storage or distribution.

A34 The Policy, at Bullet M, requires active frontage on Lots Road with a variety of commercial uses at ground floor. The Policy also seeks, at Bullet N, the creation of courtyard space(s) within the development accessed through gaps between buildings.

A35 The Policy at Bullet F identifies that the existing auction house (sui generis) should be retained in addition the floorspace specified in Bullet D.

A36 **Policy TC7 (Arts and Cultural Uses)** supports cultural institutions and facilities across the borough including (at Bullet A) protecting land / buildings where the current or last use was an arts and cultural use unless that use is

re-provided to an equivalent or better standard on site, or if this is not possible, in the immediate vicinity of the site.

London Borough of Hammersmith and Fulham (February 2018)

- A37 The *Hammersmith & Fulham Local Plan* (February 2018) (**HFLP**) forms the relevant Local Plan for the LBHF area.
- A38 The HFLP does not designate or identify the relevant part of the Site as an existing employment area or similar and there are no site specific policies for the promotion or re-development of that part of the Lots Road South site that falls within the LBHF administrative area.
- A39 Section 7 of the Plan includes more strategic policies to support the local economy and employment.
- A40 **Policy E1 (Providing for a Range of Employment Uses)** supports proposals including mixed use schemes for new employment uses especially in creative industries, health services, bio-medical and other research based activities. The Policy also supports the retention, enhancement and intensification of existing employment uses and requires flexible and affordable space suitable for small and medium enterprises in large new business developments. The Policy identifies White City, Earl's Court and West Kensington Opportunity areas as the borough's three town centres as the preferred locations for new office developments > 2,500 sq.m. Proposals for large office developments above 2,500 sq.m are discouraged outside the defined areas unless provision cannot be made in the identified locations.
- A41 The *Affordable Workspace SPD* (October 2022) published by LBHF supports the affordable workspace components of Policy E1 to ensure that there is a range of workspace provided to support existing and new businesses in terms of size, costs and leasing arrangements and to 'future proof' through flexible design of the accommodation to respond to new working practices, such as a 24 hour business economy (paragraph 1.7 of the SPD).
- A42 **Policy E2 (Land and Premises for Employment Use)** requires the retention of land and premises capable of providing continued accommodation for employment or local services. Change of use is subject to various criteria including the demonstration that the property is no longer required for employment purposes, evidence to support the suitability of the site for

continued use and / or evidence of active marketing for at least 12 months. The Policy supports mixed use enhancements of employment sites where these sites are under-utilised subject to satisfactory retention or replacement of employment uses.

National Planning Policy Framework (December 2024)

- A43 National planning policies set out in the National Planning Policy Framework (NPPF) published in December 2024 are relevant material considerations.
- A44 The NPPF provides a clear position reflecting the Government's current economic growth and delivery agenda.
- A45 At paragraph 7, the NPPF identifies the purpose of the planning system as being to contribute to the achievement of sustainable development including homes, commercial development and supporting infrastructure.
- A46 Paragraph 8 identifies the three overarching objectives to sustainable development: economic, social and environmental. It sets out how securing economic development objectives are an integral element of sustainable development. Within the 'economic role', the NPPF establishes the need to contribute to:
- Help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth and innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.*
- A47 With regards to economic development and employment land provision, the NPPF explains at paragraph 85 that significant weight should be placed on the need to support economic growth and productivity taking into account both local business needs and wider opportunities for development.
- A48 The NPPF addresses the issue of ensuring a mix and balance of land uses as critical components of sustainable development in more detail at a number of points.
- A49 Paragraph 87 encourages planning policies and decisions to recognise and address the specific locational requirements of different sectors. This is to include making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; for storage and distribution

operations at a variety of scales and in suitably accessible locations; and the expansion and modernisation of other industries of local, regional or national importance.

A50 In paragraph 125 (d) it states that policies and planning decisions should:

promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively.

A51 In paragraph 127 the NPPF identifies that planning policies and decisions need to reflect changes in the demand for land and, inter alia, (a) reallocate land for a more deliverable use that can help to address identified needs; and (b) in the interim, prior to updating the plan, applications for alternative use on the land should be supported where the proposed use would contribute to meeting an unmet need for development in the area.

A52 The NPPF is therefore concerned with more than simply the supply of property, land and sites to support economic growth. It supports proposals that address the whole economy in a positive and proactive manner that encourages economic prosperity as part of sustainable development. The emphasis is clearly focused on creating and securing jobs through the best use of land and sites that are appropriate to foster economic development.

A53 The NPPF does not include a prescriptive approach with respect to the provision of employment floorspace. It encourages a mix of uses, but the emphasis is on offering a range of employment opportunities rather than an expectation that every site will include on-site employment land or that out-dated employment sites should be retained in such use.

National Planning Practice Guidance (2014 onwards)

A54 The NPPF should be read alongside guidance contained within the suite of National Planning Policy Guidance (**PPG**). This was first published in March 2014 and has been subject to periodic updates since then.

A55 Section 2a of the PPG is relevant to the assessment of employment land needs. The emphasis of the NPPG accords with the policies of the NPPF as it

seeks to ensure that employment land needs are identified in terms of the quantity of land and the quality and spatial location of supply.

- A56 Section 2a recognises that there are economic market segments and that not all types of sites and floorspace for economic development will have the same appeal for different occupants. Effectively the NPPG is indicating the need to ensure that there is market choice.
- A57 In paragraph 29 of Section 2a, the Guidance notes that plan-makers should consider recent patterns of employment land supply and loss to other uses; market intelligence and market signals; the existing stock of employment land indicating the demand for and supply of employment land, and recognition that existing stock may not reflect the future needs of business. Take-up of sites and other data on availability and vacancies is to be used to understand the spatial implications of 'revealed' demand for employment land.
- A58 Paragraph 32 advises that the location and premises requirements of particular types of business will be important. It highlights that it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed.

Supplementary Planning Documents

RBKC: Lots Road Development Brief SPD (July 2022)

- A59 The *Lots Road South Design Brief SPD* (July 2022) (LRSDB) was published by RBKC and provides additional guidance to the Site Allocation CA7 of the former adopted RBKC Local Plan (2019). It is noted that the LRSDB covers a larger area than the former Lots Road South site allocation CA7 (allocation SA6 in the new Local Plan Review) including land outside the borough in LBHF's administrative area.
- A60 Indeed, the western portion of the Lots Road South site sits outside the RBKC administrative area and the LBHF Development Plan does not designate or

identify the relevant part of the Site as an existing employment area or similar and there are no site specific policies for the promotion or re-development of that part of the Lots Road South site that falls within the LBHF administrative area.

LBHF: Affordable Workspace SPD (October 2022)

- A61 The *Affordable Workspace SPD* (October 2022) was published in by LBHF to support Local Plan Policy. The SPD notes at paragraph 1.7 that the Council is keen to:

“provide a range of workspace to support existing and new businesses...in terms of size, costs and leasing arrangements, and to ‘future proof’ through flexible design of the accommodation to respond to new working practices, such as a 24 hour business economy”.

- A62 Paragraph 1.10 of the SPD confirms that the document provides the policy context, defines affordable workspace in Hammersmith and Fulham; identifies who needs affordable workspace; and provides suggested approaches to delivery of affordable and flexible workspace. Guidance on implementation and to assist early engagement with the council is also provided.

- A63 In Section 3, the SPD notes that there is no single definition of affordable workspace. It refers to the London Plan general definition but notes that local authorities are left to interpret and determine what ‘affordable workspace’ means in the context of their particular borough.

- A64 The SPD indicates at paragraph 3.2 that:

“the term ‘workspace’ covers a broad range of different typologies, from conventional office and industrial space to more niche shared spaces, including artist studios, maker spaces, labs and co-working spaces”.

- A65 The SPD takes forward recommendations for alternative approaches to secure a range of affordable / flexible typologies to meet local needs; i.e. it has a flexible definition of ‘affordable’ workspace.

- A66 In Section 4, the SPD identifies four priority economic sectors for affordable workspace (paragraph 4.4) to ensure support is provided where need is greatest and pressures highest:

- Creative and digital;

- Financial and professional;
- Life sciences; and
- Manufacturing.

A67 Section 5 explains in paragraph 5.8 that market rental discounts can be considered viable, depending on the scenarios tested for the locations set out in the independent viability assessment of affordable workspace⁴⁸ (Turley 2021), for workspace developments of 1,000 sq.m (gross) or larger. The locations in the independent viability assessment are set out in paragraph 4.1 of the viability assessment:

- Shepherd's Bush (mixed-use commercial);
- Hammersmith Town Centre (mixed-use commercial);
- Fulham Centre (mixed-use commercial);
- Olympia and West Brompton (mixed-use commercial); and
- Townmead and Imperial (industrial).

A68 Alternative measures to support affordable and flexible workspace accommodation are described in paragraph 5.12 and 5.13 and at Appendix C (Table C1) noting that the Council will work with developers to agree appropriate terms / means of affordability on a case-by-case basis; these may include:

- A proportion of desks in an open workspace (hot desking) area to be provided at a substantial discount to market value;
- Discounts to 'membership models' (such as virtual offices, fixed and hot desks and small offices);
- Discounted desk costs within a larger office space;
- Rent free period or completion of Fit-out of new space to Category A standard to ensure occupiers costs are covered;

⁴⁸ Affordable Workspace Study: Viability Review for LB Hammersmith & Fulham, Turley (October 2021)

- Timescales for the duration of affordable workspace to be default 'in perpetuity' or until a future Local Plan review no longer identifies this need;
- Implementation via a Workspace Management Plan to ensure affordable workspace is provided and managed as agreed;
- Delivery off-site only in exceptional circumstances and must be in close proximity to the existing accommodation and available for occupation prior to the grant of planning permission;
- Cash in lieu payment – by exception – to demonstrate that this would deliver the optimal offer regarding affordable and flexible accommodation.

A69 Section 6 deals with implementation of affordable workspace provision. Paragraph 6.1 highlights that the Council will take a flexible approach to reflect site specific considerations and to deliver the best outcomes for the Council against policy objectives.

A70 In paragraph 6.3 the SPD identifies that the appropriate arrangements for managing the workspace are considered to be: a) developer leases space to an affordable workspace provider on the Council's approved provider list; or b) affordable workspace is leased directly to an end user on the Council's approved business list.

A71 Paragraph 6.4 notes that the Council may also consider direct management of the affordable workspace by the owner of the new development subject to demonstrating the necessary skills and meet the Council's criteria for accredited workspace providers.

A72 Appendix A provides a model Workspace Management Plan and the Council is noted to keep a list of Accredited Workspace Providers.

A73 In Section 7, the SPD concludes that its purpose is to help inform discussions and proposals for applications that provide affordable workspace.

A74 Paragraph 7.2 states that a flexible approach is promoted with the independent viability assessment of affordable workspace⁴⁹ showing that discounted market

⁴⁹ *Affordable Workspace Study: Viability Review for LB Hammersmith & Fulham, Turley* (October 2021)

rents on a proportion of floorspace on large commercial schemes (typically above 1,000 sq.m gross) are viable.

- A75 The independent viability assessment also provided examples of alternatives to discounted market rents which may be applicable to smaller schemes too – such as flexible leases; discounted desks; flexible workspace / cafe hubs.

Appendix A2: Relevant Economic Strategies

London-wide

London Growth Plan (February 2025)

- A76 The *London Growth Plan* (published in February 2025) by the GLA and London Councils provides a blueprint to create 150,000 new, high-quality jobs and drive inclusive, sustainable economic growth across London and the UK.
- A77 The Plan emphasises London's continuous evolution, innovation, and advancement, aiming to realise the city's full economic potential by increasing productivity, attracting international investment, and creating new opportunities.
- A78 The Plan is set against a backdrop of six major shifts:
- structural changes in the workforce;
 - the transformation of work (including AI and the gig economy);
 - new spatial growth patterns;
 - London's emerging strength in frontier innovation and the climate emergency; and
 - evolving global politics.
- A79 The London Growth Plan outlines four ambitions for the next decade:
- a) **Productivity:** raise the average annual productivity growth rate to 2% from 2025 to 2035. This would mean the London economy could be £107 billion larger in 2035, translating to an average of £11,000 in extra pre-tax income per person and an additional £27.5 billion in taxes for the Treasury;
 - b) **Inclusion:** increase the real household weekly income (after housing costs) of the lowest-earning 20% of Londoners by 20% by 2035, providing an average of an extra £50 per week for at least a million households. This aims to stimulate inclusive economic growth in every borough,

helping to raise living standards and create better places to live, work, and invest;

- c) **Green Growth:** accelerate progress towards achieving London's net-zero target for 2030, embedding climate action at the heart of growth priorities to create new jobs, solidify London's leadership in sustainability, and attract green investment; and
- d) **A Global Capital:** grow London's services exports by an average of 6% per year, leveraging its position as a global financial and professional services powerhouse, a leading exporter in creative industries, and a hub for frontier innovation in areas like AI, life sciences, and green technology.

A80 The Growth Plan highlights key economic sectors crucial for achieving its ambitions, building on the city's existing strengths and future potential. These sectors are interwoven throughout the document, particularly in sections discussing London's strengths and the 'Global Capital' ambition. The key sectors are:

- a) **Financial and Professional Services:** London maintains its position as a global leader in this area. The Plan aims to leverage this strength to grow services exports and attract further international investment. This includes focusing on innovation within these sectors and ensuring London remains a competitive global financial hub;
- b) **Creative Industries:** The plan recognises London's leading role as an exporter in the creative industries. This sector is vital for job creation and cultural influence, contributing significantly to London's global appeal;
- c) **Frontier Innovation (AI, Life Sciences, Green Technology):** The Plan supports the Capital's emerging strength in cutting-edge innovation:
 - **Artificial Intelligence (AI):** London is positioned as a leading tech city, with AI being a key area for growth and investment;
 - **Life Sciences:** this sector is identified in the Plan as a continued, crucial area for development, attracting investment and fostering research and development;

- **Green Technology:** embedding climate action at the heart of growth priorities will foster new jobs and attract green investment, making London a leader in sustainable solutions and technologies;
 - d) **Digital and Tech:** London's status as Europe's leading tech city is a foundational strength. The Plan supports continued growth in this broad sector, encompassing various technological advancements; and
 - e) **Tourism and Culture:** while not solely an 'economic sector' in the same vein as finance or tech, the Plan identifies the importance of promoting London globally and encouraging visitors to explore the wider UK. This drives continued support for the tourism and cultural sectors that draw international visitors and contribute to the economy.
- A81 Overall, the Growth Plan identifies more established sectors like financial and professional services, alongside rapidly expanding areas of innovation such as AI, life sciences, and green technology, as the driving forces for London's future economic prosperity. It also acknowledges the significant contributions of the creative industries and the importance of a robust tourism sector and visitor economy.
- The Mayor's Economic Development Strategy for London (December 2018)**
- A82 The *Mayor's Economic Development Strategy for London* was published in December 2018.
- A83 The Strategy sets out the Mayor's ambitions to create a fairer, more inclusive economy that works for all Londoners and businesses.
- A84 The Strategy includes a focus on creating the conditions for growth, including through the provision of space for business and work (Section 4.1 at page 102) which reflects a need to provide a range of different types of workspace for businesses of different sizes, sectors and stages of development.
- A85 In accordance with the London Plan policies, the Strategy identifies that the Mayor will:
- ensure there is sufficient supply of office accommodation and investment in transport and infrastructure;

- support vibrant local economies outside of central London, including successful town centres, markets, high streets and industrial areas;
- ensure that London retains sufficient industrial land to keep the economy working efficiently; and
- support the provision of affordable and flexible workspace.

- A86 Beyond Central London, the Strategy identifies (page 103) the need to support viable office clusters in town centres, as part of creating diverse local economies; this includes the use of Article 4 Directions to restrict loss of offices to residential use where such space is at risk.
- A87 At pages 108 – 109 the Strategy states that there is a need to ensure that London provides a range of different types of workspace, including affordable and low cost workspace (with rents maintained below market rate for specific socio-economic purposes and secondary / tertiary space available at low rent levels).
- A88 At page 109, the Strategy highlights the need to explore opportunities for more co-working spaces.
- A89 Creative workspaces for makers and artists are also highlighted at page 109, with the Strategy noting that such space is often not easily re-provided in new mixed use developments at affordable rates.

Royal Borough of Kensington and Chelsea

Live Work and Learn, Our Plan for a Successful Local Economy

- A90 RBKC published the *Live, Work and Learn: Our Plan for a Successful Local Economy* in 2019.
- A91 The Plan outlines the borough's strategy for fostering a strong, inclusive, and thriving economy that benefits all residents and businesses. The borough possesses significant economic strengths, including a robust visitor economy with world-class institutions, cultural attractions, museums, and a strong retail and hospitality sector. It also boasts creative and cultural industries, and a concentration of real estate and head office businesses.
- A92 The strategy is built on three core themes:

- a) work in partnership;
- b) Involve the community; and
- c) Narrow the gap.

A93 Partnership working is identified as crucial given financial constraints, ensuring optimal use of available resources. The Council aims to convene and facilitate collaboration among communities, businesses, employers, and voluntary organisations to sustain a vibrant and inclusive economy. RBKC note that community involvement is central to inclusive growth, addressing the inconsistent promotion and targeting of opportunities that is said to leave some residents behind. Narrowing the gap is a key aspiration, focusing on tackling inequalities and providing targeted support to help all residents fulfil their potential and access opportunities.

A94 The strategy outlines specific actions to achieve its aims:

- a) **widen access to employment and enterprise:** This includes developing an online portal for easier access to services, identifying local employment opportunities with businesses, and providing targeted support for parents to enter employment. The Council also promotes apprenticeships and collaborates with partners to shape education and training, focusing on sectors like construction, hospitality, retail, health, and creative / digital industries.
- b) **work with local businesses to deliver social investment:** The Council aims to lead by example as an employer by paying the London Living Wage and encouraging its contractors to do the same. They will also promote better-paid work and conditions for local people.
- c) **ensure young people achieve their aspirations and create more apprenticeships and training:** This involves establishing a dedicated team to support vulnerable young people in choosing appropriate qualifications and employment, and enhancing careers guidance in schools to prepare young people for various pathways. The strategy also focuses on adult learning programs to equip residents with essential skills, including digital literacy and English language proficiency.
- d) **support businesses to thrive:** This includes providing comprehensive information for businesses, developing partnerships to ensure business

input in Council planning, and implementing policies to ensure diverse business premises. The strategy also addresses ongoing recovery efforts from the Grenfell tragedy, providing employment, skills, and business support to those affected

A95 The Strategy states that the Council will collaborate with partners to shape education and training and also **to focuses on key economic sectors such as construction, hospitality, retail, health, and creative / digital industries** (see page 33).

A96 With respect to workspace and business premises, the Strategy's action plan under 'Supporting Good Growth' states that the focus will be on ensuring (Action 42):

"a sufficient supply of diverse business premises" directly addresses the need for commercial workspace to support employment".

A97 It continues, indicating that the new Local Plan (subsequently now adopted) will support businesses in the borough through the Council:

"implement[ing] policies to ensure a sufficient supply of diverse business premises including flexible and affordable workspace for small and start-up businesses".

London Borough of Hammersmith & Fulham

Economic Growth for Everyone: An Industrial Strategy for Hammersmith & Fulham (September 2017)

A98 LBHF published the *Economic Growth for Everyone: An Industrial Strategy for Hammersmith & Fulham* in September 2017.

A99 The Industrial Strategy outlined an ambitious approach for LBHF aimed at transforming the borough into a premier European business hub, ensuring economic growth benefits all residents.

A100 The strategy was built upon four interconnected priorities:

- West Tech;
- Encouraging Enterprise;
- A Great Place in London; and

- People - Economic Growth for All.

A101 The overarching objective was to leverage the borough's transport links, existing international businesses, and thriving creative economy to foster innovation, attract investment, and create high-quality jobs.

A102 The strategy emphasises the following key economic sectors for growth:

- e) **Tech and Creative Industries ('West Tech'):** Hammersmith & Fulham aims to become a global beacon for innovation and growth in tech and creative businesses, education, and research. This is largely centred around the new innovation district emerging at White City. The borough already has high concentrations of TV, programming, broadcasting, and technology, media, and telecoms businesses. The strategy seeks to further support the clustering of these industries.
- f) **STEM (Science, Technology, Engineering, and Mathematics):** Closely linked with 'West Tech', STEM industries are a major focus, particularly with Imperial College London's expanding 23-acre White City campus. This campus is intended to be a centre for discovery and innovation in science, engineering, medicine, and business, fostering co-location and collaboration between academics, businesses, and entrepreneurs. The Translation and Innovation Hub (I-HUB) was identified to offer workspace for corporate partners and start-ups to work with Imperial academics to commercialise research;
- g) **Bio-tech:** Identified as one of the 21st-century industries offering excellent job opportunities for residents in LBHF;
- h) **Media and Cultural:** The borough has a thriving media, creative, and cultural economy, including theatres, studios, and the BBC. The strategy aimed to support, enhance, and promote this vibrant sector;
- i) **Leisure and Night-time Economy:** Recognised the borough as a great place to live and work, the strategy supports its leisure facilities and night-time economy.

A103 To achieve its strategic priorities, the Strategy set out a number of actions including, of relevance to the Lots Road area:

- **establishing Partnerships and Innovation Hubs** – developing a new land development policy to deliver affordable, flexible workspace for STEM, digital, and creative industries;
- **using under-utilised LBHF Council land and assets** – to create new, more affordable workspaces.

Upstream London: The Innovation Borough – Accelerating Inclusive Growth

- A104 *Upstream London: The Innovation Borough – Accelerating Inclusive Growth* is the second phase of LBHF's economic vision and strategy published as a White Paper in 2024. The first phase is understood to be the vision and actions identified in the *Economic Growth for Everyone: An Industrial Strategy for Hammersmith & Fulham* in September 2017.
- A105 The White Paper outlines the Council's strategy to accelerate inclusive economic growth within the Borough and beyond. The core vision is to transform Hammersmith & Fulham into a global beacon of innovation and growth, ensuring that all residents benefit from these developments. It is explained as meaning fostering a place where innovative ideas become reality, drawing parallels with the Borough's geographical position 'upstream' of central London. The Council therefore aims to be an Innovation Borough where economic growth is inclusive and improves the lives of everyone in the community.
- A106 The White Paper strategy is built upon three core pillars: Partnership, Place, and Pathways:
- a) **Partnership:** this involves building lasting collaborations with organisations at local, national, and international levels to ensure a collaborative approach to economic growth, with opportunities flowing to all. The Borough has also established cooperative growth partnerships with innovation districts globally to share learning, attract international trade and investment, and create new opportunities;
 - b) **Place:** Hammersmith & Fulham is described as a place where innovation thrives, new ideas emerge, and new thinking becomes a reality. The place element of the strategy emphasises an adaptive approach to planning to enable development and economic growth for everyone's benefit. This

includes (relevant to the Lots Road South application site) **ensuring affordable, flexible office and laboratory spaces**, and further initiatives on affordable housing, living labs, and a new Civic Campus to foster a suitable environment for new connections and ideas; and

- c) **Pathways:** the vision is to create pathways that ensure growth and opportunities reach all residents. This includes courses for new skills and securing future jobs. A groundbreaking initiative identified in the White Paper is the Hammersmith & Fulham Upstream Pathway Bond, encouraging businesses to support the local community by offering opportunities for skills development and career progression. This provides businesses with access to a skilled local workforce with STEM capabilities.

- A107 The priority economic sectors and locations are clearly defined in the White Paper. The Borough is described as having seen significant growth in 'long cycle' industries that are anticipated to be important for decades to come. These include **life sciences, climate tech, cyber security, AI, fintech, the creative industries, digital, defence tech, TV and film, and other STEM-related** sectors.
- A108 With regard to priority Locations, The White City Innovation District is the focus of the White Paper strategy, established as an emerging economic hotspot and a global centre for future technologies. The strategy aims to strengthen Hammersmith & Fulham's role as an Innovation Borough and expand its reach across the West Tech corridor. The new Civic Campus in King Street, Hammersmith, is also highlighted as a key development that will support the business ecosystem with affordable, flexible office space, housing, and cultural facilities.
- A109 The White Paper also highlights the importance of place-making to transform the Borough, ensuring it remains a desirable place to live and work. This includes creating a high-quality public realm that stimulate economic activity and foster inclusive growth across residential areas, town centres, innovation districts, parks, and open spaces.
- A110 The White Paper's strategy also reflects the potential to enhance the evening and night-time economy through a world-class arts and culture offer, particularly at the Civic Campus, and supporting existing venues and events.



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